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# South and East Asia Report

No. 899



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## SOUTH AND EAST ASIA REPORT

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## CONTENTS

## INTER-ASIAN AFFAIRS

## Briefs

Lao Ensemble to Burma 1

## AUSTRALIA

## Briefs

Australia-Canada Tax Agreement 2

## BANGLADESH

## Briefs

Envoy to Norway 3

## BURMA

## Briefs

First Congregation of Monks 4

## INDIA

## Causes for Separatist Trends Examined

(Evgeniy Shubichev; NARODNA ARMIYA, 7 May 80)..... 5

## Government Administration of Foreign Trade Levies Scored

(C. V. Gopalakrishnan; THE HINDU, 10 Apr 80)..... 7

## Briefs

Ambassador to Bhutan 12

1979-80 Trade Gap 12

## **INDONESIA**

Solons Comment on U.S.-Iranian Relations (KOMPAS, 11 Apr 80).....	13
Foreign Minister of East Timor Interviewed (Mari Alkatiri Interview; NOTICIAS, 23 Apr 80).....	15
Poniman To Be New Army Chief of Staff (KOMPAS, 10 Apr 80).....	20
Family Planning Program To Become Community Effort (KOMPAS, 10 Apr 80).....	22
Oil Exploration, ING Purchases by South Korea (KOMPAS, 2 Apr 80).....	24
Increase in Rice Supplies Reported (KOMPAS, 10 Apr 80).....	26

## **KAMPUCHEA**

'VOIK' Reports Battle Successes Against Vietnamese (Voice of Democratic Kampuchea, various dates).....	28
10 May Report	
11 May Report	
March Battle Successes Reported	
12 May Report	
13 May Report	
14 May Report	
15 May Report	
April Successes in Western Leach	
Bavel District April Successes	
16 May Report	
17 May Report	
April Successes in Pailin	
Samlot April Results	

## **Briefs**

Agricultural, Veterinary Course	39
Battambang Public Works	39
Ho Chi Minh Birthday Meeting	39
Agriculture Ministry Political Course	40
Soviet Books	40

## LAOS

Column Discusses History of Indochinese Communist Party, Present Significance (SIANG PASASON, 29 Mar 80).....	41
Ayatollah Khomeyni's Achievements Cited, Praised (VIENTIANE MAI, 4 Apr 80).....	42
Members of Vientiane Province Party Committee Listed (VIENTIANE MAI, 28 Mar 80).....	44
Special Rationing System for Cadres, Others Described (SIANG PASASON, 29 Mar 80).....	46
Column Claims Communist Party of Thailand Extinct (SIANG PASASON, 5 Apr 80).....	47
Success of Lao Publications Reported (Vientiane Domestic Service, 16 May 80).....	48
<b>Briefs</b>	
Forest Products for Export	50
Kasi Cement Works	50
Phon Hong, Keo-oudom Rice Sales	50
Paksan Forest Survey	51
Meuang Ngoi Rice Sales	51
Boten District Development	51

## PAKISTAN

Punjab Council Holds Two-Day Session (Editorial; NAWA-I-WAQAT, 22 Apr 80).....	52
Municipal Councils Given Broader Functions (JASARAT, 23 Apr 80).....	54
Oil Prices Raised To Meet Deficit (DAWN, 26 May 80).....	57
Expectations for Increased Local Oil Production (DAWN, 26 May 80).....	60
Panel Appraises Budgetary Process, Economy (THE PAKISTAN TIMES, 7 May 80).....	62
ADB Advance Loans for Quick Return Projects (BALUCHISTAN TIMES, 13 May 80).....	63

Country Faces Acute Shortage of Gram Seed (THE MUSLIM, 22 May 80).....	65
Ghee Output To Be Raised (THE PAKISTAN TIMES, 14 May 80).....	66
Freight Crisis Hits Fruit Exports (THE PAKISTAN TIMES, 11 May 80).....	67
Plans To Increase Meat Production (THE MUSLIM, 23 May 80).....	68
Tarbela Dam Service Spillway Fully Repaired (BALUCHISTAN TIMES, 14 May 80).....	69
Water Authority Proposals for Development (THE PAKISTAN TIMES, 10 May 80).....	70
Romania To Aid Cement Factory in Northern Areas (THE PAKISTAN TIMES, 10 May 80).....	71
Conventional Bricks May Be Replaced (THE PAKISTAN TIMES, 12 May 80).....	72
<b>Briefs</b>	
UNESCO Bodies Reconstituted	73
Pamphlet Forfeited	73
Milk Prices Shoot Up	73
Rice Export Figures	74
Expenditures on Afghan Refugees	74
Presidential Fund	74
Trade With Iran	74
Cotton Export Targets Exceeded	75
Largest Cement Plant Under Construction	75
Cotton Cultivation	75

## PHILIPPINES

Ople To Meet Labor Bosses on TUCP Row (PHILIPPINES DAILY EXPRESS, 18 May 80).....	76
Accounting of MNLF Funds Eyed (Ros Manlangit; PHILIPPINES DAILY EXPRESS, 16 May 80)...	78
Prices To Be Controlled on More Items (PHILIPPINES DAILY EXPRESS, 8 May 80).....	79
Nutrition Drive Gets UNU Help (PHILIPPINES DAILY EXPRESS, 17 May 80).....	81

Farmers Seek Higher Palay Price, More Aid (PHILIPPINES DAILY EXPRESS, 18 May 80).....	83
Mysterious Object Puzzles Electronics Experts (APP, 24 May 80).....	85
Central Bank Tightens Rules on Bank Capitalization (George T. Nervez; PHILIPPINES DAILY EXPRESS, 14 May 80).....	86
First-Quarter Equity Inflow Up 68 Percent (George T. Nervez; PHILIPPINES DAILY EXPRESS, 13 May 80).....	88
Non-Traditional Exports Earn US\$264 Million (PHILIPPINES DAILY EXPRESS, 13 May 80).....	90
Handicraft Exports Face Bleak Prospects in Eighties (PHILIPPINES DAILY EXPRESS, 4 May 80).....	92
Expansion, Modernization of Four Ports Noted (German Lim; PHILIPPINES DAILY EXPRESS, 8 May 80).....	94
Funds for Buying Copra From Planters (PHILIPPINES DAILY EXPRESS, 18 May 80).....	96
<b>Briefs</b>	
Public Works Funds	97
Zambo Port Projects Rushed	97
Increase in Oil Supply	98
Omnibus Energy Bill	98
Inflation Rate Drop Forecast	98

#### THAILAND

U.S., Iranian Officials Brief House Committee (NATION REVIEW, 14 May 80).....	99
Government Announces New Tax Structure (Bangkok Domestic Service, 21 May 80).....	100
Government Clamps Control on Essential Commodities (BANGKOK POST, 24 May 80).....	102
Curb Rice Exports To Meet Local Needs (THE WORKING PEOPLE'S DAILY, 30 Apr 80).....	103

Soviet Cement Sales Offer  
(THE KOREA HERALD, 10 May 80)..... 104

Briefs

Substitute Energy Sources	105
Rural Area Jobs Scheme	105
Agricultural Export Targets	106
First Quarter Economy	106
Overall Export Targets	106
Corn Sales to USSR	106

INTER-ASIAN AFFAIRS

BRIEFS

LAO ENSEMBLE TO BURMA--Vientiane, 6 May (KPL)--The Lao central art ensemble headed by Ounheuan Phoumsavat, deputy minister of the propaganda, information, culture and tourism, on May 6, [left] here for Burma for an official visit. The delegation was seen off at the airport by Sisana Sisan and Son Khamvanvongsa, respectively minister and deputy-minister of propaganda, information, culture and tourism and other high-ranking officials. Souban Sitthilat, general secretary of the Foreign Ministry, was also present at the airport. Also on hand was U Kyaw Zaw, charge d'affaires of the Socialist Republic of the Union of Burma to Laos. [Text] [Vientiane KPL in English 0924 GMT 6 May 80 BK]

CSO: 4220

AUSTRALIA

BRIEFS

AUSTRALIA-CANADA TAX AGREEMENT--Canberra, 21 May--A new double taxation agreement between Australia and Canada was signed here today. While a number of its provisions are similar to those in the existing agreement, the new agreement limits the tax levied by the country of source on dividends and interest to 15 percent, and limits the tax on royalties in the source country to 10 percent. These limits do not apply to income connected with any permanent establishment a resident of one country may have in the other. In addition, the new agreement provides for limited taxation rights for the country of source in respect of pensions paid to residents of the other country, and for some relaxation of the rules under which residents of one country working for short periods in the other are freed from taxation in the country being visited. The new agreement will come into operation after it has been made law in both countries. It will have effect in Australia from 1 July, 1975 and in Canada from 1 January, 1976.  
[OW251519 Hong Kong AFP in English 0629 GMT 21 May 80]

CSO: 4220

BANGLADESH

BRIEFS

ENVOY TO NORWAY--Bangladesh Ambassador to Sweden Mohammad Raiz has been concurrently accredited as ambassador to Norway. This was officially announced in Dacca 13 May. [Text] [BK161125 Dacca Overseas Service in English 0445 14 May 80]

CSO: 4220

BURMA

BRIEFS

FIRST CONGREGATION OF MONKS--"The first congregation of monks of all orders for the purification, perpetuation and propagation of Buddhism opened at 0800 today in the "Sasana Hall" on Haba-aye Hill, Rangoon." A total of 1,226 monks from all over the country attended the congregation which was chaired by "Aga Mahapandita" Petu Myoma Abbot U (Einda Sara.) Abbot U (Yingara) of Mandalay Taungdaman Monastery served as secretary of the congregation. U (Einda Sara) gave an opening speech. He said "before the opening of the meeting, U Ne Win, president of the Socialist Republic of the Union of Burma, arrived at about 1800 yesterday to pay homage to the monks attending the congregation." The president informed the monks about a Buddha image and a chedi received from the king of Nepal for people to pay homage. The gifts will be kept inside a chedi which will be constructed. The president also said "bidaka" and other scriptures in monasteries throughout the country will be kept for safekeeping if the monks so wish. Later, monastic representatives from all over the country presented reports concerning the congregation for purification, perpetuation and propagation of Buddhism, including codes of conduct in solving disputes among monks and the draft constitution of the monks organization. The meeting continues tomorrow.  
[Summary] [BK241444 Rangoon Domestic Service in Burmese 1330 GMT 24 May 80]

CSO: 4211

## CAUSES FOR SEPARATIST TRENDS EXAMINED

Sofia NARODNA ARMIYA in Bulgarian 7 May 80 p 4

[Exclusive Report by Evgeniy Shubichev, correspondent of APK in Delhi:  
"The Sources of Separatism"]

[Text] In the past few months north-eastern India, which consists of five states and two union territories, experienced considerable unrest caused by the separatists, incited by pro-Peking agents and the missionaries. One relies in such cases on the strong chauvinism instilled in the local population against other Hindu ethnic groups, using slogans calling for "Assam, Nagaland, Mizoram--each for its own people," etc. The separatists are involved here in a wide propaganda work for the creation of so-called independent countries.

As a result of this activity, for example, the state of Assam has been politically and economically paralysed since past November. In 12 of the 14 electoral regions the parliamentary elections have been mishandled. The petroleum enterprises, which are of vital importance for the country's economy, threatened to close (Assam produces 35 percent of India's oil). Communications in these regions with the greater part of India were interrupted.

The statements of the Indian authorities and the press prove the participation of China and the United States in the events in Assam and in the other north-eastern regions of the country. For example, the newspaper Patriot reports of some Brahmaputra project according to which the CIA was planning to establish an independent country on Indian soil located east of Brahmaputra. The newspaper reports that this "project" has been approved by Peking as a part of the general strategy for subversive activity against India.

The separatists resort to military attacks on border and police stations, engage in terrorist acts against state functionaries and against people who oppose them or who refuse to collaborate with them. Hundreds of people have fallen victim to these bandits. In the past couple of years about

50 border guards, policemen and political activists have been killed in Manipur alone. The separatists killed Comrade Bir Singh, secretary of the Indian Communist Party (IKP) in Manipur during the recent campaign of the parliamentary elections.

Talking with Radjeshvara Rath, secretary general of the National Council of the IKP, I learned that this most treacherous murder of one of the foremost communist leaders had been committed by separatists specially trained by Chinese instructors. Their schemes, however, were in vain, i.e., the IKP was able to send to the parliament another of its own candidates.

The bandit gangs in Manipur act under the name of "people's liberation army" and are headed by somebody called Bichashvahr Singh, who is the commander-in-chief. Who is this B. Singh? He was trained for several years in Lhassa (Tibet) in a school for commanders of "national movements" and later on, together with some others of his kind, came back to Manipur to "pursue the line" of the masters from Peking. The Indian minister of international affairs, Yogendra, stated recently in the parliament that some gangs of Naga and Manipur tribes had visited China on and off in 1976 and 1977 and had brought back modern weapons.

Leaflets have appeared lately in north-eastern India calling for the creation in the region of "a federation of countries, completely independent of India."

The "holy fathers," i.e., the missionaries who from years back have wished to create in India a "Christian state," turned out to be natural allies of the Chinese expansionists in their subversive work against India. N. Shakravarter, chief minister of the state of Tripura, stated recently at a press conference that his government had uncontested proof of the close ties between the Western church and the hostile subversive elements in the state. A so-called "youth army of volunteers" has been created in Tripura not without the support of the "holy fathers" and the American dollar. It has its own "commander-in-chief," somebody by the name of Vidjay Rankhal, educated and trained for the far-from-holy acts of the missionaries who maintain close ties with the United States.

In November 1979 the Voice of America in its broadcast to South Asia created an embarrassing situation, stating that Mysore had nothing in common with India and that the Indian constitution was, so-to-speak, imposed by force, against the will of the people. This statement of the Voice of America, which is controlled by the United States' government, spurred indignation among the Indian people and was considered a gross interference on the part of the Americans in Indian internal affairs. We can mention one more example. During the armed skirmishes with the separatists the Indian security forces had captured great quantities of Chinese weapons and a most sophisticated target-aiming weapon with the stamp "Made in U.S.A."

The Indian political observers justly connect the increased activity of the separatists in north-eastern India with the accelerated political and military rapprochement between the United States and China whose purpose is to destabilize the situation in the Asian countries and reach their goal of expansionism.

GOVERNMENT ADMINISTRATION OF FOREIGN TRADE LEVIES SCORED

Madras THE HINDU in English 10 Apr 80 p 8

[Article by C.V. Gopalakrishnan: "Fiscal Governance by Circulars"]

[Text] A consequence of the postponement of the presentation of the regular budget for 1980-81 seems to be that the Union Finance Ministry has been reduced to living almost from day to day in respect of regulating customs, excise and export levies. Such regulations have been coming piecemeal during the last three months. In all probability such activity by fits and starts will continue until the Centre is ready to come forward with the budget.

The regulation has taken mostly the form of continuing the exemptions which had been earlier given from customs, excise or export duties for specific commodities. Since January this year, there have been at least 12 press releases put out by the Finance Ministry on exemption of customs, or export duties relating to cooking gas, hessian, polystyrene resins, and polyvinyl chloride, soybean extractions, aluminum foils, cement, unwrought copper, soda ash, sponge iron, iron and melting scrap and automobile components.

The explanation for continuing the existing exemption from the payment of customs duties beyond the stipulated dates, varying from item to item is the same: to relieve domestic shortage of these commodities because of inadequacy of indigenous production and to ensure supplies at reasonable prices.

The Finance Ministry probably does not relish making these announcements about duty reductions or reliefs especially in the case of excise duties. The Ministry seems to have become alive to the "unhealthy" curiosity growing among the press and the public about the periodic reductions in excise duties and their propensity to draw "inferences." There was also some talk of dispensing with the issue of press releases in respect of excise duty reliefs and restricting intimation of such reliefs to official and gazette notifications so that they are known only to the parties directly interested.

## Tampering with Levies

Resort to such fiscal governance through circulars couched generally in unintelligible officialese will be defended by the Finance Ministry on the ground that since the new Government has not yet had the time to articulate its distinctive budgetary ideology and policy, fiscal activity has necessarily to be reduced to keeping things going. While this is quite acceptable at the present moment, the Ministry knows well enough that mid-year tinkering with customs, excise and export duties has been taking place for several years now even in the absence of any destabilising political upheavals.

If all such periodic tampering with these levies highlights anything it is the failure of the Government to achieve some of the policy objectives, specially those relating to the attainment of self-sufficiency in critical areas. This failure is perhaps largely due to constraints imposed by power, coal and other raw material shortages and transport bottlenecks. Also, it is most unlikely that the Government would have been so ready to grant extensions of customs duty exemptions in respect of as many items as it has done in the last three or four years had the exchange reserves been in the state they had been until they started swelling up from 1976 onwards. A look at a few items on which customs duty exemptions have been extended does not suggest that efforts which had gone into the stepping up of their indigenous production have been as determined as they might have been if the exchange reserves had remained as precarious as they were prior to 1976. Among the items which will continue to be exempt from the whole of basic and auxiliary customs duties is cooking gas. The exemption in respect of LPG imports has been extended up to September 1980. If, as is stated by the Finance Ministry, the object is to ensure availability of imported LPG at reasonable prices to consumers, considering the speed at which things are being done one can be sure that the Ministry will extend the exemption beyond September this year.

According to current estimates, the present demand for cooking gas is placed at 8.6 lakh tonnes per year as against the availability of 4.2 lakh tonnes. The fractionation plant being set up in Uran near Bombay by the Oil and Natural Gas Commission will produce around 1.80 lakh tonnes of LPG by the time it starts operating to its full capacity in late 1982 while Oil India has also a project for the production of LPG for the same capacity in Duaiganj. Therefore, it will take some time before any kind of self-sufficiency in cooking gas is reached. At present imports for only about 17,000 tonnes have been decided upon for the present year and further negotiations for imports are said to be in progress.

There is no reason why there should be such a big shortage of cooking gas within the country nearly six years after the discovery of the Bombay High offshore oil and gas fields in early 1974 except the ineptitude in implementing the projects for processing the gas. Import of technology is not

required for fractionating the Bombay High associated gas and a good part of the equipment required could be produced indigenously. No action was taken on a report prepared by Stone and Webster of U.K., for the Union Petroleum Ministry.

Apart from recommending a phased programme of action for setting up more important petrochemical projects for the utilisation of the gas, it also dealt with the project for setting up the fractionation plant which has been talked about since 1976. The fractionation plant of ONGC for the separation of cooking gas should have been commissioned last year but for the dithering of the Petroleum Ministry. According to present expectations, the plant is expected to commence production in the latter half of the year and its production of LPG is expected to be around 3,300 tonnes per month rising to 10,000 tonnes in the second quarter of 1981-82.

The ONGC will indeed be very lucky if it is able to go through with this time-table since it is feared that there has been some slippage in the progress of the Bombay High North project for the development of the oil and gas fields and this may delay the commissioning of the fractionation plant as well. There is no word about the progress of Oil India's Duliajan project.

The recent announcements relating to continuance of exemptions from customs duties as well as reliefs in excise duties on petrochemical raw materials like polyvinyl chloride resins as well as naphtha used for the production of petrochemical items, reflect the belated recognition of the damage done to the country's nascent petrochemical industry by the hike in the excise levies on naphtha used for nonagricultural purposes in the 1979-80 Central budget.

The principal raw material for the huge project of the Indian Petrochemicals Corporation Ltd. (ICPL) which took 10 years to commission all its production units last year is naphtha and the budget levies came as a rude shock to them after they had prepared the country to believe that petro-chemical products were a vital necessity to the country on account of its versatility for a variety of applications, specially for agriculture and also their huge employment potential.

There was a big hue and cry from the petrochemical industry but it left Mr Charan Singh, former Finance Minister, wholly cold. While the industry might welcome the reductions in excise duty from 40 percent to 27 percent and valorem on polystyrene resins made from naphtha and five other naphtha-based plastic resins from February 25, it appears that compartmentalised thinking still persists. While announcing this decision to reduce the excise duties on naphtha-based products, the Finance Ministry also announced an increase in the excise duty on non-naphtha-based PVC resin from 40 to 45 percent ad valorem while there would be a countervailing duty of 45 percent on imported PVC.

When the Finance Minister has the time to think of these things, he would do well to examine whether in the context of an overall shortage of PVC resins, it would serve the country's interests to retain a discrimination between naphtha-based and non-naphtha-based petrochemicals. According to official estimates, the demand for petrochemicals is expected to increase from 1.65 lakh tonnes in 1976-77 to 3.99 lakh tonnes in 1982-83 and 7.90 lakh tonnes in 1987-88 in respect of the category known as "thermoplastics" while the corresponding figures for synthetic rubber are 36,000 tonnes, 56,000 tonnes and 1,50,000 tonnes. Many of the items included in these two categories are stated to be non-naphtha-based and there will have to be a far more rational excise policy in respect of them.

The same could be said about a number of items on which excise and customs duties are being regulated by the Government from time to time. In many of these cases, exemptions have been continued to ensure adequate availability of the commodities when domestic production is insufficient to meet demand.

As for export duties, the regulatory action which the Government has been taking from time to time provides another illustration of the kind of fiscal administration fashioned almost by the hour. This has been the case particularly with coffee and one has lost count of the number of times the duty has been increased or reduced in response to the fluctuations in the international supply and prices of coffee. The Ministry does not feel called upon to offer any explanation for such rapidly changing regulatory action prompted by international situation beyond its control.

There is certainly a case for some fresh thought on export duties. In the case of coffee, the Government has been raising the duties whenever there is an increase in the international price of coffee following a reduction in supplies due to a crop blight in coffee producing countries like Brazil, with a view to mopping up the high profits. The coffee industry has repeatedly pleaded that such hikes in the export duties make it extremely difficult for the exporters to stabilise their exports, which is a matter of some importance.

If India has to retain its place in the international market, the industry also needs additional funds to increase the acreage under coffee and the Coffee Board and the National Council of Applied Economic Research have prepared a perspective plan for coffee development. The Government has perhaps its reasons for not wanting to give much attention to the ministry's plea. If mopping up of high profits is the objective it is worthwhile considering whether it could not be achieved by other means instead of through export duties which may frustrate efforts to build up and retain export markets.

In the case of another item, soybean extracts, the Government has extended the exemption from the whole of export duty amounting to Re 125 per tonne from March 31, 1980 to March 31, 1981, out of consideration to promote exports. The importance given to exports of soybean extracts by the

GOVERNMENT seems to have obliged it to permit the entry of the large industrial houses into the industry since the performance of the small and medium scale processing units has been poor and has caused distress to the growers of soybeans.

The States where the soybean crop has been produced on a big scale were finding it difficult to ensure remunerative prices to the farmer. But even though it has taken note of the necessity to allow large industrial houses into the industry, the Government has still not made up its mind fully whether it should or should not keep out foreign companies or foreign collaboration. There is still considerable incoherence in these matters.

#### Rational Approach

If the Government is serious about making the levy of excise, customs and export duties rational, the Jha Committee on Indirect Taxation has a lot to say of far-reaching importance on all these matters. Where the item affected by an excise or a customs duty is a raw material input, the Committee has urged that in a truly rational system, "the same treatment--input tax relief--should be given to the revenue component of import duties as to the revenue component of excises on inputs." As for export duties, while accepting the rationale of imposing them for mopping up the profits of exporters at times of high international prices, "there should be readiness to lower such duties when the prices come down as otherwise it would damage the long-term prospects of our exports."

The Committee had urged the Government not to ignore that when the export of a product becomes profitable, producers try to expand their output which, in the long run, expands the export possibilities. It has also reminded the Government of the possibility that export duties on Indian products "might, in some cases, afford a tariff protection to producers in other countries of like products or their synthetic substitutes." These and other matters would merit some serious consideration by the new Government which has given itself a long time to shape its budgetary policy.

CSD: 4220

INDIA

BRIEFS

AMBASSADOR TO BHUTAN--Salman Haidar, deputy permanent representative of India to the United Nations, New York, has been appointed ambassador to Bhutan in succession to Jagdish Rudraya Hirernath. [Text] [BK281601 Delhi ISI Diplomatic Information Service in English 1445 GMT 23 May 80]

1979-80 TRADE GAP--India's trade gap during 1979-80 has been provisionally placed at over 22.32 billion rupees. According to an official press release, the country's aggregate exports last year had been provisionally placed at over 59.98 billion rupees as compared to the imports of 82.31 billion rupees. While the imports registered an increase of 24.6 percent of the 1978-79 figures, the exports rose only by 8.21 percent. [BK281601 Delhi Domestic Service in English 0830 GMT 26 May 80]

CBO: 4220

SOLONS COMMENT ON U.S.-IRANIAN RELATIONS

Jakarta KOMPAS in Indonesian 11 Apr 80 pp 1, 12

(Article: "Amin Iskandar: 'U.S.-Iranian Solution Puts Khomeyni in a Squeeze'")

[Text] Both Amin Iskandar and Sabam Sirait, DPR [Parliament] members from the PP [Development Unity Party] faction and PDI [Indonesian Democracy Party] faction, respectively, judged the measures President Carter has taken to break off relations with Iran as unwise.

Carter has put Khomeyni in a squeeze [with regard to] opposing the Tudehists who are masterminded by the communists, Amin remarked. Meanwhile, Sabam believes that these measures could set off a terrible war in the region around Iran.

Amin Iskandar told newsmen on Thursday afternoon [10 April] that the militant students who hold U.S. citizens hostage have been influenced by the Tudehists. Meanwhile they have succeeded in stirring up anti-American feelings in the Iranian people.

Khomeyni as well as Bani-Sadr are aware of this, and they do not want to be tricked into freeing the American hostages. Khomeyni will permit their release, if Parliament lets the hostages go, because this means the people have freed them.

The Tudehists, Amin said, are waiting anxiously for the time when Ayatollah Khomeyni will free the hostages. With their release, the Tudehists will be able to stir up anti-American hatred in the people by stamping Khomeyni and Bani-Sadr as pro-American. With such fuel added to the flames, they intend to overthrow Khomeyni and call for Soviet intervention by installing a "Babruk Karmal" in Iran. Meanwhile, Soviet troops along the Iranian borders are prepared to enter into Iran.

"Poor Khomeyni. While he is being pressured internally, Carter is pressuring him from the outside, displaying his strength just to ensure his victory in the U.S. general election," Amin said.

The more America pressures Iran, he said, the greater will be the Iranians' hatred of America. This clearly will make Khomeyni's anti-communist position more difficult. This situation will broaden the path for Soviet entry into Iran.

The U.S. must use the experience of the games they played in Cambodia, Vietnam, and other countries that ultimately completely fell into communist hands.

Amin hopes the U.S. will approach the Iranians without using pressure, threat, or bragadocio. Let him create a climate that supports Bani-Sadr, he said.

The economic blockade will cause suffering to the people and will only add to the growth of communism in Iran. This, on the other hand, is what is expected, he said.

Meanwhile, Sabam Sirait, PDI secretary general, believes it would be best if the government made other than "appeasing" declarations which expressed regret for the break in U.S.-Iranian relations.

"Initiate a meeting between Carter and Khomeyni and Bani-Sadr with India's or France's help," he said. He saw that if a meeting could be held between Egypt and Israel, why couldn't Carter and the Iranians meet to find the best way out of the dilemma?

He feels the holding of these hostages by the students is unacceptable from a humanitarian or human rights point of view. "But they couldn't have found a better weapon for pressuring the United States," Sabam remarked.

He judged the decisions taken on already strained relations between the two nations are cutting off dialogue, although Iran does not have good relations with the Soviet Union. Properly, he said, Carter's interest in the general election should not defeat the larger interests, "because a terrifying war being initiated in that country could break out in the near future. Moreover, Iran is being forced to lean toward the Soviet Union because of the economic blockade by the United States."

Sabam saw no possibility arising of an Arab nation acting as a mediator in this affair. The Arab countries themselves face no small threats. Particularly because of the Iranian revolution, the position and the imperishability of their own monarchies are threatened. "Don't expect any help from the Arabs," Sabam added.

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CSO: 4213

FOREIGN MINISTER OF EAST TIMOR INTERVIEWED

Maputo NOTICIAS in Portuguese 23 Apr 80 p 4

[Interview with East Timor Foreign Minister Mari Alkatiri in Salisbury, by Joaquim Salvador and Gulamo Khan on Day Zimbabwe's Independence was Proclaimed]

[Text] On the occasion of the trip to Salisbury by Mari Alkatiri, the foreign minister of the Democratic Republic of East Timor for the festivities to celebrate the independence of Zimbabwe, Mozambican newsmen Joaquim Salvador and Gulamo Khan requested an interview with the East Timor leader. This interview exhaustively covers several questions regarding the struggle of the people of East Timor and the problems connected with it.

Below we are transcribing the text of this interview which was an exclusive for NOTICIAS and Radio Mozambique granted on the day the independence of Zimbabwe was proclaimed.

Question: How do you see, what do you think of the independence of Zimbabwe? How do you think the emergence of a new Zimbabwe could reflect on the liberation struggle of East Timor?

Answer: We see this independence with a certain revolutionary optimism, although we know a little about some difficulties which still have to be faced due to the uniqueness of the process which is to be conducted in that country.

At any rate, the simple fact that we can at this moment be here in Salisbury already means something, some progress, some victory obtained by the Zimbabwe fighters, by the people.

We are really looking to Zimbabwe as our future allied country, our future allied government which, naturally, will do everything within its possibilities---within the context of the struggle of oppressed people for national independence.

Question: Several countries, among them the People's Republic of Mozambique, have recognized, from the first moment, the proclamation of the Democratic Republic of East Timor. Could you tell us, whether the government led by Prime Minister Robert Mugabe is going to recognize the Democratic Republic of East Timor?

Answer: I do not want in any way to say anything on this matter. However, the ZANU, especially the ZANU as a liberation movement, had recognized the Democratic Republic of East Timor. Therefore there are basic conditions favorable for recognition of the Democratic Republic of East Timor by the Republic of Zimbabwe. However, the policy of a state generally tries to adapt itself to certain realities, and we, given our own experience of just a few years of diplomacy, understand perfectly well this tactical need which sometimes occurs at the level of many countries. However, in the meantime, we shall try to talk directly to Zimbabwean leaders and members of the government about this matter, and perhaps later will be able to make further progress.

Question: The fact that the ZANU-FP, a liberation movement, has become constituted into a government, leads the Mozambican press to consider it very important to investigate the process that other liberation movements are following in their respective countries.

Mr Minister, could you tell us what is the present internal situation in East Timor from the military point of view and from the social point of view?

Answer: In the military field, we recognize that after the death of President Nicolau Lobato we were eventually forced to adopt new forms of struggle in the military field itself, because up to that time we could say that we conducted a struggle, a war of the movement which was accompanied by a guerrilla war. At the present time this is no longer done because the conditions of the struggle do not permit large concentrations of our armed forces.

Therefore, the leadership of the Central Committee in the stage of reorganizing the forces, in the phase of adjustment of our lines, opted for a purely guerrilla struggle, which now covers 70 percent of the national territory.

Of course, this guerrilla struggle is accompanied by an active practice of sabotage, political and organizational resistance, cultural resistance in areas controlled by the Indonesians, by the enemy. This struggle is increasingly being developed to the point of having forced the Indonesians, at least in the months of November and December, until January, to decree a state of emergency in East Timor, in the entire national territory. Of course, socially we encounter some difficulties, enormous difficulties, to the extent that the objectives now defined by the enemy forces in our country are purely economic objectives.

Agricultural fields are purely civilian objectives since it is almost impossible for them to maintain the illusion of destroying our military objectives. This is the reason why they started to define as basic priority objectives the destruction of planted fields and settlements, civilian population. This really has forced the surrender of a good part of the population, forced "surrender." However, the FRETILIN [Revolutionary Front for East Timor Independence] itself, taking advantage of these surrenders, sends its cadres to the areas controlled by the Indonesians and there has developed its work.

Question: International agencies and humanitarian aid agencies have reported that the starvation picture in East Timor is even more tragic than that of Kampuchea. What can you tell us about this, Mr Minister?

Answer: They have told the truth, a truth like a camouflaged morsel. We think that the situation in the areas controlled by the Indonesians is much worse than the international press has attempted to say, has attempted to present. The situation is much much worse, at least it was a tragic situation up to 6 months ago. At the present time, the situation has improved somewhat due to the aid the international organizations, such as the International Red Cross and the U.S. Catholic and Australian organizations have succeeded in bringing to East Timor.

However, I see that this aid favors the Indonesians to a certain degree because everything is done through the Indonesian Red Cross. This gives the impression to the civilian population that it is Indonesia that is giving this massive aid to them in the controlled areas. At the same time, they represent a campaign favorable to Indonesia and this really is...their objective to help Indonesia, to attenuate the existing contradictions in the controlled areas. The objective of these organizations is not really to save the population, but to support Indonesia.

Question: Mr Minister, also recently there were reports of a unity plan between the FRETILIN and other resistance movements against Indonesia, especially on other islands, because we know that Indonesia is a nation of islands.

What can you tell us about this plan of at least apparent unity between The FRETILIN and other liberation movements, from the point of view of the FRETILIN strategy?

Answer: We, from the very beginning have defined as our direct and immediate enemy the colonialist-expansionist and military-fascist regime of Indonesia with headquarters in Djakarta. The same enemy is common to various other movements on several islands which make up Indonesia. On this basis, that there exists one common and direct enemy--although we consider imperialism as our main enemy--but existing this common enemy which is a direct enemy, we feel that it is perfectly possible to cooperate in order to destroy

this enemy. This is the instrument that the United States and U.S. imperialism have used in order to crush our resistance.

It is within this framework that we are trying to cooperate as much as possible with the movements of the area, with all the movements of the area, and especially with all the forces that struggle against the Suharto regime.

However, our greatest effort is concentrated on direct cooperation with national antifascist movements within Indonesia. This does not mean that we are not going to cooperate with the movements classified as separatist by Indonesia itself, certain international currents, such as the movements of Iriantchaya, Sumatra and other islands. We are ready to cooperate with them, we shall do everything possible in order to make real this cooperation.

Question: Diplomatic struggle in the specific circumstances of East Timor is an important component of a strategy of struggle.

Mr Minister we would like you to speak about the relations that the Democratic Republic of East Timor maintains at the present time with Portugal, which is a former colonialist power, and with the countries of the socialist bloc.

Answer: From the time when the new Democratic Alliance Government took power it was the government that for the first time in the history of Portugal included the problem of East Timor on its working agenda. We feel that it is our duty, we felt that it was our duty, to try to find points of agreement for cooperation with the present government in order to progress with the problem of East Timor on the diplomatic level. Until now it has not been more than: a sounding, opening of channels of contact between the FRETILIN and the Portuguese Government. We saw some interest during our last visit to Portugal. We have confirmed some interest by Portugal to do something for East Timor. However, sincerely we do not know what this something means. So far it is not clear. Lately we have received somewhat discouraging news when we were informed that the Portuguese government is going to make direct contacts with Indonesia. Of course, our opinion is that nothing can be resolved to bring a stable peace on East Timor if the FRETILIN is not included in the process. Without the FRETILIN in the process it will not be possible. In the meantime we have also received reports, reports denied by the office of the prime minister, that the prime minister has allegedly received in Lisbon an Indonesian general two weeks ago. The news were carried by LE MATIN of Paris and some Portuguese newspapers, and also by the OBSERVATEUR, also from France. Of course, we do not know how much truth there is in these reports. They have been denied. However, in politics it is also said that there is no smoke without fire. We believe that it may be true, that this could be the truth, because it is within the framework of the present policy of the Portuguese government to place, as the only priority, the only possibility, that of trying to solve the East Timor problem through direct contact with Indonesia. On our

part, we feel that it should be the last, the last possibility, because the first one could only be at the international level, at the level of the United Nations, to pressure Indonesia to abide by international resolutions. This should be the basis for any political solution for the East Timor problem.

Question: And what about the socialist countries?..

Answer: As to the socialist countries, unfortunately, regrettably, we have to admit that we have never received support from European socialist countries. Until 1978 at the General Assembly all the European socialist countries, with the exception of Yugoslavia, voted in favor of our resolutions at the United Nations. The same did not happen in 1979 because that year only the Soviet Union, Belorussia and the Ukraine voted in favor, the others either abstained, or were not present to vote. In general, we regret having to state this truth because we have always defined the socialist countries as our natural allies and our experience almost proves the opposite. This is regrettable because these countries always were on the side of the peoples in struggle.

Question: Mr Foreign Minister, if you would like to leave a message at this time which we consider an historic moment, the independence of Zimbabwe, Radio Mozambique and NOTICIAS are at your disposal... .

Answer: Yes. The only message that I could leave here in the name of the people of East Timor and the FRETILIN Central Committee and the government, is a sincere message of solidarity with the people of Zimbabwe, a sincere message of confidence in the future of that people, and that everything possible will be done that the existing relations between us as fighters be consolidated at the level of our two states.

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**PONIMAN TO BE NEW ARMY CHIEF OF STAFF**

Jakarta KOMPAS in Indonesian 10 Apr 80 pp 1, 6

(Article: "Poniman Replaces Widodo as KSAD")

(Excerpts) Lt Gen Poniman (54 years old), Deputy KSAD [Army chief of staff], is to be promoted to KSAD, replacing Gen Widodo. "The installation and the change of command to the new KSAD, God willing, will take place this month," Gen M. Jusuf, Menhanram/Pangab [minister of defense and security concurrently Armed Forces commander], said after having been received by President Suharto at the Istana Merdeka yesterday morning [9 April].

General Jusuf was received by the chief of state along with KSAD General Widodo and Deputy KSAD Lieutenant General Poniman. "The KSAD, the Deputy KSAD, and I met with the president to review what had been accomplished by the former KSAD during his period of service," Jusuf remarked.

Lieutenant General Poniman, who has three daughters, was born in Bala in 1926. In 1950 he left for Maluku to crush the RMR (South Maluku Republic) and in 1962 he also participated in putting down the Kartosuwirjo rebellion. Thereafter he served as commander of the IIIrd "17 Augustus" Military District, commander of the XVth "Pattimura" Military District, and commander of the Vth "Greater Jakarta" Military District, and was promoted to KOSTRAD (Army Strategic Reserve Command) commander with the rank of major general. Poniman was then promoted to command KOWILHAN I (Defense Area Command I), Sumatra and West Kalimantan, holding the rank of lieutenant general.

Poniman actually was being prepared for this promotion when he became a lieutenant general in December 1973. HANKAM judged him to have successfully built up his territory when he was the regional commander. His pragmatism and modesty attracted much attention.

Menhanram/Pangab Jusuf said General Widodo's next assignment will be decided upon after the installation ceremony for the new KSAD and will be reported to President Suharto. "President Suharto has expressed his gratitude and appreciation to General Widodo, and I personally greatly value the good cooperation I received from him heretofore," the Menhanram added.

General Widodo was born in Yogyakarta on 26 April 1924. After serving as commander of the IIIrd "17 Augustus" Military District and commander of the VIIth "Diponegoro" Military District, Widodo became commander of KOWILHAN I, Sumatra and West Kalimantan, and commander of KOWILHAN II, Java-Madura.

He was promoted to KBAD on 30 January 1978, replacing Gen Makmun Murod, who became ambassador to Malaysia.

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INDONESIA

FAMILY PLANNING PROGRAM TO BECOME COMMUNITY EFFORT

Jakarta KOMPAS in Indonesian 10 Apr 80 pp 1, 12

[Article: "Ten Thousand Groups of KB Participants to be Mobilized to Develop KB Programs Linked to Nutrition Programs in 10,000 Villages"]

[Excerpts] In fiscal 1981, 10,000 groups of participants in the family planning program are to be mobilized for action in various social programs that also have development aspects. This is the first time such intensive mobilization of societal groups will have been undertaken, and it has a tremendous potential.

Haryono Suyono, deputy for the Family Planning Sector, BKKBN (National Family Planning Coordination Agency), talked of this matter in a conversation with KOMPAS on the grounds of the Istana Negara on Tuesday afternoon (8 April) after the opening ceremony of the BKKBN national family planning and population work meeting.

The KB groups, whose membership consists of participants in the family planning program, will be mobilized to persuade other members of society to participate in the program. Those who quietly participated in KB now will be activated into becoming KB vanguards. They will be the motivating forces behind the program and will produce a "snowballing" effect.

Dr Haryono Suyono also confirmed that the mobilization of 10,000 groups is part of an effort to realize the transfer of the KB program to the people. So, the KB program which initially was handled by BKKBN officials and other government apparatus must now be taken over by the people.

The transfer of this program to the people's hands, according to Haryono Suyono, will also provide a gauge of the success of the KB program in Indonesia. However, he did say that if the people are unwilling to handle this as their own program and KB officials continue to participate actively and heavily in the program as they did in the 1970's, the program will fail. "The KB program, which is basically aimed at the creation of small, prosperous and happy families, must become the people's own program. They themselves must be convinced about the benefits of small families and not because they have been ordered to participate in the program by the government!" Haryono Suyono said.

About 4 million of the almost 5.4 million KB participants in Java and Bali were organized by the people themselves, namely, by these KB groups. This activity will be continued and expanded outside Java and Bali so that through their own efforts the people will manage the KB program themselves.

Ordinarily once a week members of KB groups "invited" persons not yet participants in the KB program to join the program. This activity will be intensified to two or three invitations a week during this fiscal year so that 50 to 70 percent of the target for the 1980/81 program can be achieved before this year's fasting month, Haryono Suyono said.

Further, people should not be disappointed in the program. KB participants are convinced that small families are prosperous and happy. This conviction is accompanied by the expectation that life will be better for them if they have small families. If this expectation is not realized, people will be disappointed in the program, and there is a danger that they will abandon the program.

Therefore, the time has come when Indonesia's overall population program must be solved. This is very necessary, for the success of the KB program also depends on various other programs in the population field.

Thus, the KB program has been linked to a nutrition program this past year. In 1980/81 the nutrition program will be carried out in 10,000 villages. KB groups will also participate in this program. These 10,000 villages constitute about one-sixth or 16 percent of the 61,198 villages in Indonesia.

Further, these groups will be increasing their income. This has been initiated particularly by groups of female KB participants in rural areas, for instance, by making cloth handicrafts such as tablecloths, pillowcases, and women's clothing. KB groups are also being supported in setting up cooperatives at the rural level and in various activities now being planned for inclusion in the overall program.

Therefore, BKKBN is now "inviting" various other government departments and agencies to help the 10,000 KB groups that have such great potential.

KB officials now assigned to the program only support these groups' activities. For instance, if there is a shortage of certain contraceptives in one location, these officials must try to meet the shortage. If a group has problems with its cooperative, the KB officials assist in finding a solution by contacting experts on cooperatives. If a group has problems with design, raw materials, marketing or anything else connected with their hand crafted items, KB officials assist in contacting responsible agencies to solve the problem.

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INDONESIA

OIL EXPLORATION, LNG PURCHASES BY SOUTH KOREA

Jakarta KOMPAS in Indonesian 2 Apr 80 p 9

[Article: "South Korea Is Interested in Participating in Oil Exploration in Indonesia"]

[Text] South Korea is interested in participating in oil exploration in Indonesia and in buying liquified natural gas (LNG) beginning in 1984 in order to guarantee a supply of energy, Minister of Mines and Energy Subroto said on Tuesday [1 April] after being received by President Suharto at the Bina Graha along with Pertamina Executive Director Piet Haryono.

The minister said everything needed for South Korea's participation in oil exploration is being prepared. When this work is completed, an exploration zone will be designated for South Korea, he remarked.

Subroto said KEKO (Korean Electric Company) needs 3 million tons of LNG annually. Sales to South Korea will begin in 1984 because facilities must be prepared and their production must first be organized. Further, beginning in August 1980, Indonesia will sell 10,000 barrels a day of LSWR [low sulfur waxy residue] to South Korea. This sales agreement will be in effect for 1 year and can be extended.

Indonesia now sells 10,000 barrels a day of crude oil to South Korea. The crude sales agreement is also valid for 1 year and can also be extended.

The minister said he reported to the president on the results of his visit to South Korea to sign a cooperation agreement on the development of mineral and energy resources. Cooperation in the mineral field concerns being informed on what is currently known about geophysics, a geochemical survey of mineral deposits, and geological determination of mineral deposits through the use of radiometric technology. Cooperation in the energy field involves exploration for oil and coal fields.

Further, the minister said, President Suharto ordered the development of "green energy" or manufacturing ethanol and methanol from sweet potatoes and cassava.

When asked about Pertamina's urging the Supreme Court to postpone handing down a sentence to the foreign contractor Huffco and lowering the price of oil to Japan by \$1.00 a barrel, Minister Subroto was not prepared to respond. "I have just returned; don't ask me these questions now," he added as he got into his automobile.

On 10 September 1979, the Pertamina executive director wrote a letter to the Supreme Court requesting that the decision of the Central Jakarta District Court, which had been upheld by the Jakarta Superior Court, not be carried out. It required the foreign contractor Huffco to pay PT ASA Engineering Pertama \$25 million because the national contractor could not obtain the payment justly due him for constructing a part of the LNG infrastructure in Bontang. Then on 13 September (no year specified), the chief of the Supreme Court ordered the chief of the District Court not to implement this decision.

Later the Japanese daily newspaper ASAHI printed the news that the PNC had informed Japan that it would lower its export price for oil originating from the Daqing fields from \$33.20 to \$33.125 per barrel beginning 1 April 1980. The price was reduced because the world oil demand had dropped. Another reason for lowering the price was that Pertamina had cut its crude price by \$1.00. The average price, therefore, was \$32.60 a barrel.

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#### INCREASE IN RICE SUPPLIES REPORTED

Jakarta KOMPAS in Indonesian 10 Apr 80 pp 1, 6

[Article: "1980/81 Domestic Food Supplies Are Expected To Reach 700,000 Tons"]

[Excerpts] Domestic food supplies for the period 1 February 1980 through 31 January 1981 were estimated at 700,000 tons. This is an increase of 150,000 tons over the first estimate prepared by the Logistics Board (BULOG) early last February, namely, that food supplies for 1980/81 would amount to the equivalent of 550,000 tons of rice.

BULOG Chief Bustanil Arifin, on Monday [7 April], said the new estimate, which is higher than the first estimate, was based on a good paddy harvest and the improved operation of the food supply system.

Here and there, of course, the rice price occasionally threatens to slip below the floor price, village unit cooperatives are not prepared to buy rice because their godowns are full, delays occur in subsidy payments, drying floors can't handle the rice harvest, and so on. "But we can resolve these problems quickly," Bustanil said.

Meetings are held at the national level to coordinate food supplies and similar meetings are held once a month at the provincial level, according to Bustanil. These meetings appear to be responsible for the successes achieved. Various problems that arise are brought up at these meetings and measures are decided upon rapidly to increase the supply and keep the unhulled paddy price from dropping to the point where it will ruin the farmers.

Information on problems is not only provided at these meetings by the participants, who come from various regions and agencies, but also by the newspapers. "Therefore, we all thank the newspapers that published news on the different problems that arose in handling food supplies in the regions," he said.

The BULOG chief then presented data "recapitulating the domestic unhulled rice and rice supplies for 1980/81" for the period 1 February to 2 April 1980. It became evident that in only 2 months' time food supplies rose far above the first estimate.

The 2-month recapitulation showed that domestic food supplies amounted to the equivalent of 142,648.21 tons of rice, consisting of 32,015.78 tons of unhulled paddy and 121,837.95 tons of rice.

The initial estimate for February and March 1980 expected a domestic supply of a 23,657.5-ton equivalent of rice, consisting of 14,550 tons of unhulled paddy and 14,230 tons of rice.

If the domestic food supplies for 1980/81 should reach 700,000 tons, it means there will be an increase of 367,901 tons or 110.78 percent over the food supplies for 1979/80 which totaled 332,099 tons.

However, if we compare these figures with those for the domestic food supplies for 1978/79, the estimate of an equivalent 700,000 tons of rice is still very low because 1978/79 domestic food supplies amounted to the equivalent of 867,355 tons of rice. This was the highest total recorded in the history of national food supplies since the 1950s.

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CSO: 4213

KAMPUCHEA

'VODK' REPORTS BATTLE SUCCESSES AGAINST VIETNAMESE

10 May Report

BK140817 Voice of Democratic Kampuchea (Clandestine) in Cambodian to  
Kampuchea 2330 GMT 10 May 80

[Summary] Our army and guerrillas throughout the country are determined to intensify attacks against the Vietnamese so as to inflict more losses on them and successfully fulfill the current rainy season tasks.

The Mondolkiri battlefield:

We attacked the Vietnamese at Prey Chas, O Ta Ten, (O Poy), west of Phum Prech, east of O Hao, O Lav, Sre Chhuk, (Lam Tot), Sre Sangkum, Sok San, Sneng Krabei and near Phum (Cham Nga), killing or wounding 80, including a company commander, and seizing a quantity of weapons and ammunition.

The Route 7 battlefield in the eastern region:

We attacked the Vietnamese at Thma Pech, Ta Pav, Chup rubber plantation, Krabei Krieb, (Roka Pou Pram), Phka Dong, at an area between Krasang and Sre Veng, at Krek rubber plantation, along a stretch of Route 7 between Phum Da and Phum K'am, at an area between Phum Rumchek and Sre Chlong and when they moved from Memot rubber plantation to Khchey between 1 and 6 April, killing or wounding 78, including several killed or wounded in mine explosions, and destroying a truck.

The southwestern region battlefield:

We attacked the Vietnamese at various places in Tram Kak District between 3 and 9 April, killing or wounding 66 enemy troops, destroying a quantity of weapons and seizing 1,500 AR-15 rounds.

The Koh Kong-Kompong Som battlefield:

In the Sre Ambel-Koh Kong Kraom front, we attacked the Vietnamese at Veal Trach, Phum Thmei, Pralean Kraom, Chi Khor, Thmar Chaot, Chamkar Turen,

Phum Sdok, and Chikhor crossroads between 18 April and 3 May, killing or wounding 74, destroying and seizing a quantity of weapons and ammunition. "On 4 May we totally liberated Phum Thmei, killing 13 enemy soldiers, wounding 9, and destroying an M-30 and seizing 3,000 AK rounds and 12 60-mm mortar rounds."

#### The Battambang battlefield:

As a result of our attacks in Muong District between 24 April and 3 May, we killed or wounded 33 enemy troops and destroyed a truck.

"In sum, on all these battlefields, we put out of action 353 enemy troops, including a company commander, destroyed 2 trucks and a quantity of weapons and seized a quantity of weapons, ammunition and other war materiel and totally liberated Phum Thmei village in Koh Kong Province."

#### 11 May Report

BK160210 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 11 May 80

[Summary] Our army and guerrillas have further inflicted more losses on the Vietnamese enemy every day since the beginning of the current rainy season.

#### The Kompong Thom battlefield:

In Baray District, we ambushed a Vietnamese platoon moving from Ibaeuk to Veal Thom on 12 April. We killed one, wounded three, destroyed a B-40 and seized two B-40 rounds. On 14 April the Vietnamese hit our mine at Phum Koki Thom and suffered one killed and two wounded.

#### The southwest battlefield:

On 18 April we attacked the Vietnamese at Phum (Thlok Bei) of Phong Commune in Kong Pisei District. We killed five and wounded four.

#### The western Leach District battlefield:

As a result of our attacks west of Leach and at several other places between 1 and 8 May, we killed or wounded 213 enemy troops, including several by means of mine explosions.

#### The Koh Kong-Kompong Som battlefield:

On Koh Kong Leu front, we attacked the Vietnamese at Phnum Ta Koch, north of Phum Kirivong, at O Dach and east of the main stream between 3 and 4 May. Fifty-seven enemy troops were put out of action, some by mine explosions, and 2 enemy camps were destroyed.

On the Koh Kong Kraom front, we attacked the Vietnamese at Anlung Kev, Trapeang Rung, west of Andong Toek, at Phum Andong Toek and at an area between O Anlung Kev and O Svay Rieng on 3 and 4 May. The enemy suffered 56 casualties in these attacks, during which we also set 2 trucks ablaze, destroyed a bridge and 2 camps and seized a quantity of weapons and ammunition.

On the Kompong Som front, we attacked the Vietnamese at O Kambot, Phum Prabos, on the Kompong Som railroad and in the vicinity of Ream Pier on 4 and 5 May. We put out of action 35 enemy troops, including several killed or wounded in mine explosions and by Punji stakes, and destroyed 2 trucks.

"In sum, on all these battlefields we killed or wounded 377 enemy troops, destroyed 4 trucks, 4 camps and a bridge and seized a quantity of weapons, ammunition and other materiel."

#### March Battle Successes Reported

BK170932 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 12 May 80

[Excerpt] In March our comrades in arms in the army and guerrilla units on all battlefields throughout the country actively and vigorously increased guerrilla activities against the Vietnamese enemy aggressors and inflicted more losses on them than in February.

From 1 to 31 March, our comrades in arms killed or wounded 17,704 enemy forces; took prisoner or accepted surrender of 47 others; killed 3 Soviet and Cuban advisers, a Vietnamese division commander and 66 battalion and company commanders; destroyed 26 positions and military camps, 5 command posts, 8 ammunition depots, 3 rice warehouses, a salt warehouse, 63 military trucks of various types, 4 tanks, 2 105-mm cannons, 19 M-30, 12.7-mm and 12.8-mm machineguns, 6 drum-magazine machineguns, 18 M-79's, 5 60-mm and 82-mm mortars, 89 B-40's and B-41's, 114 AK's, 16 AR-15's, 37 pistols, 3 radio sets, 3 telephone sets, a generator and a mine detector; seized 4 machineguns, 16 M-79's, a DK-82, 8 B-40's and B-41's, 5 drum-magazine machineguns, 130 pistols of various types, 22,657 rounds and 55 crates of AK ammunition, 36 crates of machinegun ammunition, 183 rounds and 16 crates of 60-mm mortar shells, 25 DK rounds, 198 B-40 and B-41 rounds, 710 M-79 rounds, 3,825 mines, 238 grenades, a motorcycle, 2 motorboats and a large quantity of war materiel; and liberated 12 villages and 2 enemy positions.

In building primitive weapons system, the comrades in arms produced and planted 31,253,313 new Punji stakes, dug 108,739 new pitfalls, set 17,062 automatic bows and 2,205 booby traps, and felled 10,633 trees to block roads.

## 12 May Report

BK181311 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 12 May 80

[Summary] Our army and guerrillas are intensifying attacks on the Vietnamese enemy, causing heavy losses to them every day.

On the Ratanakiri battlefield, we launched many attacks on the enemy at Trapeang Krahom, at a point south of the Ban Lung rubber plantation and at Sre Angkrong on 12 April, at Vaun Sai, O Chang and Hat Bach on 13 and 14 April and at Sre Krasang, Sre Kor and a point west of Sre Russei on 15 April, killing or wounding 81 enemy troops, capturing or destroying scores of weapons and war materiel.

The central region battlefield:

In Santuk Leu District we attacked the Vietnamese enemy at Thmar Samlieng, Phum Tbeng, a point north of Kompong Krabei and at Chamkar Khlouk on 1, 2 and 3 April, at Bangki Tangren, Phum Tbeng and on the road from Pren southward on 4 April, at Trapeang Toem and on the road from Pren southward on 5 April and at Trapeang Sdau and Boeng Lvea on 6 April, killing or wounding 89 enemy troops and seizing some weapons and 500 rounds of AK ammunition.

In Oddar Meanchey Province's Anlung Veng District we attacked the Vietnamese on their way from Anlung Veng to Rumchek on 28 and 29 April, east and west of Trapeang Tau on 1 and 2 May and at Trapeang Tau and north of Trapeang Tau on 4 May, killing or wounding 72 of them.

"In Samraong District, Oddar Meanchey, we attacked the Vietnamese at Phum Thnal Thom and Phum Kou and when they left Thnal Thom eastward on 4 May, killing 21, wounding 21 and destroying 2 military camps. Also on 4 May we attacked them west of Phum Anlung Thmar, at Trapeang Trav and when they left Anlung Thmar northward, killing 15 and wounding 12 while 25 others were killed and 15 were wounded when they ran into our minefields. We also seized 15 land mines. On 5 May the Vietnamese sallying out of Trapeang Trav northward ran into our minefields, suffering seven dead and six wounded.

"In sum, on all these battlefields, we killed or wounded 364 enemy troops, destroyed 2 military camps, a machinegun and a radio set and seized a quantity of weapons, ammunition and war materiel."

13 May Report

BK181313 Voice of Democratic Kampuchea (Clandestine) in Cambodian to  
Kampuchea 2330 GMT 13 May 80

[Summary] As part of the emulative campaign to fulfill the rainy season tasks, our army and guerrillas have launched vigorous and widespread attacks everywhere.

In the Ratanakiri-Stung Treng battlefield's Siem Pang District on 2 April a Vietnamese truck leaving the Lao border hit our mines, killing 12 troops. We attacked the Vietnamese at a point west of Phum Sramar, close to O Smang, and at O Ta Lav on 12 and 13 April, killing 14, wounding 8 and seizing an AK, 120 rounds of AK ammunition and 28 rounds of M-79 ammunition. From 22 to 25 April we attacked them at O Ta Lav, O Thmar Roluoy, Phum Dan Long and north of here, killing 17 and wounding 33. On 26 and 28 April we attacked Phum Sre Pou and Phum Nang, killing or wounding scores of them. On 28 April a Vietnamese truck hit our mines on Route 7 below Kao Nhai; 27 enemy troops died. All in all, we killed or wounded 163 enemy troops in Siem Pang District.

In Mondolkiri, on 25, 27 and 28 April we attacked the Vietnamese at Phum Rvak and Phum Royor, killing 7, wounding 12 and burning down a military camp.

In Kratie, we attacked O Preal on 22 March, on the road from Kratie to Stung Treng between Phum O Krieng and Phum O Preah on 3 April and along O Krieng, between Sre Chhlieh and O L'a and near Sre Treng, killing or wounding 18.

In the central region's Stoeng Trang District we attacked the Vietnamese at Areak Tnaot, O T Sek, Smmap Khchei and Khnach on 11 and 12 April, at Santhik, Tuol Sambuor and Prek Sangke on 13 and 14 April and at O Pram, Chrak Bangkong and Bat Kteah on 15, 16 and 17 April, killing or wounding 74 enemy troops.

In the southwestern region's zone west of Route 3 we attacked them at Tuol Khlong, Ta Trap, Prey Rumduol, Pou Doh and Prey Kuy on 1 and 2 April, at Phum Thmei, Phum Dong and the Bos Ta Phang crossroads on 3 and 4 April, and at Ta Phem and Don Phe dams, Tuol Phchoek, Baset and Phum Ang, where a company commander was wounded, on 5 and 6 April, killing or wounding 77 enemy troops.

"In Battambang's Moung District we attacked the Vietnamese at Phum Damnak Run on 4 May, killing 2 and wounding 3.

"In Preah Vihear Province we attacked them north of Phum Bak Anlung and at the position east of here on 6 May, killing 9 and wounding 11.

"In sum, on all these battlefields, we killed or wounded 376 enemy troops, including a company commander, destroyed 4 trucks, a military camp and a machinegun and seized 15 assorted weapons and a quantity of ammunition and materiel."

#### 14 May Report

BK181325 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 14 May 80

[Text] In a spirit of emulation to successfully carry out the rainy season tasks, our army and guerrillas throughout the country are vigorously intensifying guerrilla attacks, wearing down and destroying more enemy manpower every day.

#### The Ratanakiri-Stung Treng battlefield:

On 13 and 14 April we attacked the Vietnamese at Phum Sre Leav, Trapeang Krahan, Sre Chreh, Sre Sangkum, Phnum Bruch and O Khteah, killing 9, wounding 4, while 14 others were killed and 9 were wounded in mine explosions and Punji traps, and destroying 3 AK's. On 15 and 16 April we attacked them at Phum Bor Khok, Phum Sre Chhuk, and between O Sap and Route 19, killing 11, wounding 10 and seizing 2 AK's and an N-79. On 17, 18 and 19 April we attacked them at Phum Sre Sangkum, Phum Sre Leav, Phum Trapeang Thmar, Phum Trapeang Krahan and the manioc orchard near Phum Bor Khok, killing 8 and wounding 11 while 6 others were killed and 2 were wounded in mine explosions.

#### The southwestern region battlefield:

Chhuk District--On 4 April we attacked the Vietnamese at Phum Prey Krang and Phum Damnak Chheu Kram, killing five, wounding four while two others were killed and another wounded in mine explosions. On 9 and 10 April we attacked them at Phum Bos Lhong, Phum Trapeang Andong and Phum Voar, killing eight and wounding eight. On 11 and 12 April we attacked them three times at Phum Voar, at Phum Vat Chak, at Phum Krahong and at Phum Krasang Meanchey, killing seven and wounding eight. Three others were killed and another wounded in a mine ambush. An AK was destroyed and another was seized along with 200 rounds of ammunition and some war material. On 13 April a Vietnamese truck hit our mines west of Chhuk market place. Ten enemy troops were killed, five AK's were destroyed and a B-40 was seized. On 14 and 15 April we attacked the Vietnamese west of Phum Prech, at Phum Chhouteal and north of Phum (Choam Spoe), killing eight and wounding eight while another was killed and another wounded in mine explosions.

### The Battambang battlefield:

Samlot District--On 2 and 3 May we attacked the Vietnamese at Bor Lang, when they left Bor Lang for Samlot and twice at Samlot, killing 11, wounding 7 and cutting off 700 meters of telephone wire. On 3 May a Vietnamese 10-wheel truck leaving O Reang Khen for the Samlot District seat hit our mines and exploded, killing eight enemy troops. On 6 and 7 May we attacked them twice at O Choar, once at a point south of O Choar, at O Ta Tang, at a point west of Phum Samlot, on the new trail, at Phum Chanhchaeun Kre and at O Reang Khen, killing 20, wounding 20 and cutting off 400 meters of telephone wire. On 7 May we fired 82-mm mortar shells into the Vietnamese position at Phum Sre Andong, killing nine enemy troops and destroying two military barracks. On 8 May we attacked them at O Choar and west of here, killing four and wounding five.

Bavel District--On 1 and 3 May we attacked the Vietnamese sallying out of Prang for Veal Ti Bei and those sallying out of Hill No 100 northward, killing five and wounding six. On 6 and 8 May we attacked them between Hill No 182 and Veal Ti Bei and on the laterite road to O Lhong, killing 14 and wounding 9 while 2 others were killed and 3 wounded in mine ambush. On 8 May we fired at and damaged a Vietnamese 10-wheel truck on the laterite road, killing eight enemy troops.

The Sisophon front south of Route 5--On 6 and 7 May we attacked the Vietnamese at Phnum Malai and when they came down from this hill and sprang up a mine ambush at Phum O Sampor, killing nine, wounding nine and seizing some war materiel. On 8 May we attacked them twice at kilometer marker No 4, setting ablaze a GMC truck killing 15 enemy troops and wounding 4 others.

In sum, we killed or wounded 335 enemy troops, destroyed 2 military barracks and 4 trucks and seized a quantity of weapons, ammunition and materiel.

### 15 May Report

BK181327 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 15 May 80

[Summary] Uniting with the local people, our army and guerrillas are implementing the three combat tactics to wear down and destroy more enemy troops every day.

### The western battlefield:

In Baribo Khang Cheung district, we attacked the Vietnamese at Phum Chheu S'am, Thnal, Pteah Sdok, Kandal, Chhouteal Chrum, Chan Thmei, Prum and Pteah Chek on 6, 7, 8 and 9 April, killing or wounding 41 enemy troops. In Battambang's Pailin District we attacked them atop Phnum Khiev, at

Bei Kraham, O Chra, Bor Tang Su, the Pailin coffee plantation, O Ta Em and Phteah Sangkassel on 15, 27, 29 and 30 April and 5, 6 and 7 May, killing or wounding 180 enemy troops.

In Bavel District we attacked them at Phum Ampil Pram Daem on 5 May and between Ampil Pram Daem and Sthapor, at Prey Totoeng and at O Tipseida on 6 May, killing or wounding 32 enemy troops.

In Mongkolborei District we attacked them at Lvaa and Anlung Phe on 1 May and at Chrek Ta Mal and Champaom on 10 May, killing or wounding 32 enemy troops. In Sisophon District, south of Route 5, from 5 to 7 May we attacked a point east of O Sralau, killing 13 and wounding 23.

"In sum, on all these battlefields, we killed or wounded 353 enemy troops and seized a quantity of assorted weapons, ammunition and materiel."

#### April Successes in Western Leach

BK201051 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 15 May 80

[Excerpt] In April our comrades in arms in the western Leach District battlefield killed or wounded 1,702 enemy troops including a battalion commander, destroyed 6 10-wheel trucks, 2 B-40's, a drum-magazine machinegun, 4 AK's and a quantity of war materiel, seized 9 B-41's, 9 AK's, 2,850 AK rounds, 3 B-40 rounds and a quantity of other war materiel, smashed 4 enemy military camps and 8 trenches, and liberated 10 enemy positions.

#### Bavel District April Successes

BK201053 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 16 May 80

[Excerpt] After successfully fulfilling the March plans, our comrades in arms on the battlefields in Bavel District effectively implemented our three combat tactics and launched vigorous attacks against the Vietnamese aggressors everywhere, inflicting more losses on them.

In April, our comrades in arms killed or wounded 890 enemy troops including a company commander, and destroyed 2 military installations, an M-30, a drum-magazine machinegun, an M-79, 2 B-40's and an AR-15. They seized 2 AR-15's, 100 AR-15 rounds, 4 B-40 rounds, 250 AK rounds, 86 mines and a quantity of other war materiel, and liberated an enemy position west of O Prayut.

As a result of the efforts to build primitive weapons systems, 4,662,460 new Punji stakes were produced, and 2,885,000 new stakes were planted on an area 100 meters wide and 3 kilometers long.

16 May Report

BK210808 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 16 May 80

[Summary] In order to successfully fulfill the rainy season tasks, our army and guerrillas throughout the country have intensified attacks against and inflicted daily losses on the Vietnamese enemy.

On the Ratanakiri-Stung Treng battlefield, we attacked the Vietnamese at Phum (Kach Pong) on 20 April, at (O Kham) bridge and Lomphat on 8 April, at an area between Trapeang Krahan and Veal Chke Hat on 22 April and at an area between Phnum (Kon Num) and Phnum Kon Sek on 28 April, killing or wounded 18, setting ablaze an ammunition depot and two vehicles.

On the Route 7 battlefield in the eastern region, we attacked the Vietnamese west of Khcheay, at the Chup rubber plantation, Phum Sre Veng and Phum Da on 7 and 8 April; north of Phum Krasang, east of Phum S'an and west of Phum Phka Dong on 9 and 10 April; at Phum Rumchek, north of Memot rubber plantation, at Phum (Roka Pou Pram) and near Phum Krabei Kriek on 11 and 12 April; and on Route 7, on the road leading to Thmar Pech and in the vicinity of Ta Pav rubber plantation on 13 and 14 April, killing or wounding 81, setting a vehicle ablaze and seizing and destroying a quantity of weapons and ammunition.

On the Battambang battlefield, we attacked the Vietnamese at Phum Vatt, Kanhchang, Anlung Puok, at an area between Phum Vatt and O Ta Teak, at O Ta Teak, O Chrap, Daeum Turen, south of O Ta Teak, Chumteng Luoch, south of O Choar, on a new trail in the vicinity of Phum Ta Sanh and north of O Ta Teak in Samlot District between 15 and 30 April, killing or wounding 211 enemy troops and destroying and seizing a quantity of weapons and ammunition.

On the Preah Vihear battlefield, we attacked the Vietnamese north of Phnum Preah Vihear on 1 May and at an area between Tummup Toek and Chheuteal Kong on 4 May, killing or wounding 43.

"In sum, on all these battlefields, we killed or wounded 353 enemy troops, destroyed an ammunition depot, 3 vehicles and 10 assorted weapons and seized a quantity of weapons, ammunition and war materiel."

17 May Report

BK220800 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 17 May 80

[Summary] Our army and guerrillas throughout the country have further intensified attacks against and inflicted daily losses on the Vietnamese enemy.

#### The Kratie battlefield:

In Kratie District, as a result of our attacks against the Vietnamese at Phum Royer Kraom, Phum Rovieng and Phum Kantuet on Route 7 between 9 and 10 April; at Phum Royor, Phum Sre H'am, Phum O Romiet and Phum Sre Meun between 11 and 12 April; and at Phum O Preal and Phum Sre Krapeu on 15 April, we killed or wounded 56 and destroyed 3 AK's.

In Sambo District, we killed or wounded 26 enemy troops in attacks at Phum Phnum Pi, Phum Roluos, Sre Khnong and Phum Pekhle between 7 and 10 April.

#### The Koh Kong-Kompong Som battlefield:

On the Koh Kong Kraom front, we killed or wounded 57 enemy troops and destroyed a truck in attacks at Phum Kaongkang, Phum Ta Ni and Kaoh Krass on 5 May, and at Phum Kon Kok, Andong Toek, Prek Ta Nang, Phum Antong Ang and an area between Trapeang Rung and Andong Toek on 6 May.

On the Veal Thom-Choam Sla front in Thmar Bang District, we attacked the Vietnamese at Choam Sla on 5 May and at Phum Veal Thom on 6 May, killing or wounding 31.

#### The Battambang battlefield:

In Moung District, we attacked the Vietnamese at Phum Damnak Run on 10 May, killing eight and wounding five.

In Samlot District, we attacked the Vietnamese at Anlung Puok, O Ta Teak, Kanhangchang and Phum Vatt on 1 May; in the vicinity of O Ta Teak and south of O Choar on 2 and 3 May; at Daem Turen, O Choar, O Toek L'ak, Chankar S'am, west of O Choar, on the new trail and at O Ta Teak on 5 and 6 May; north of O Ta Teak on 8 May; and on the new trail on 11 May, killing or wounding 138 and destroying a military camp.

In Pailin District, we attacked the Vietnamese at Pang Roloeum and Pteah Sangkasei between 4 and 5 May; at Kandie Hao banana plantation and Pang Roloeum on 6 May; and west of Phnum Khiev and west of Pteah Sangkasei between 7 and 8 May, killing or wounding 68.

"In sum, on all these battlefields, we put out of action 389 enemy troops, destroyed a military camp and a truck and seized a quantity of weapons, ammunition and other materiel."

### April Successes in Pailin

BK201055 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 18 May 80

[Excerpt] In April which is the last month of the dry season, our comrades in arms on the Pailin battlefield of Battambang Province increased guerrilla activities and launched vigorous attacks against the Vietnamese aggressors day and night, killing or wounding 1,075 enemy troops and destroying a C-25 radio set and a quantity of weapons. Our comrades in arms also seized 6 AK's, a B-40, a carbine, (73,974) AK rounds, [words indistinct] and a quantity of other war materiel.

### Samlot April Results

BK201057 Voice of Democratic Kampuchea (Clandestine) in Cambodian to Kampuchea 2330 GMT 19 May 80

[Excerpt] In April, the last month of the dry season, our comrades in arms on the Samlot battlefield effectively implemented our three combat tactics and launched more vigorous attacks against the Vietnamese aggressors day and night in order to inflict more losses on their manpower, end the dry season with success and enter the rainy season with full mastery.

As a result, in April our comrades in arms killed or wounded 1,353 enemy troops, including 2 company commanders, destroyed a 10-wheel truck, 3 enemy command posts, a 60-mm mortar, 2 M-30's, a B-40, an M-79 and 10 AK's, and set ablaze 7 military camps and an ammunition depot. They also seized a drum-magazine machinegun, 2 AK's, 1,800 AK rounds, 5 60-mm mortar rounds, a quantity of M-69 mines, 530 meters of telephone wire and a quantity of other war materiel.

C50: 4212

KAMPUCHEA

BRIEFS

AGRICULTURAL, VETERINARY COURSE--An agricultural and veterinary refresher course was opened in Phnom Penh on 12 May by the Ministry of Agriculture for agricultural and veterinary officials. A total of 130 persons from various provinces were sent to the course to improve their managerial skills. Agriculture Minister Men Chhan, who attended the opening ceremony, stressed the organization of the new agricultural system and the scientific development of animal husbandry. [Text] [Phnom Penh SPK in French 0416 GMT 14 May 80 BK]

BATTAMBANG PUBLIC WORKS--The public works service of Battambang Province recently opened a 41-km road in Ratanak Mondul District. Workers of the service have also repaired more than 120 trucks and 12 boats for use in the transport of relief goods to the people; restored 6 bulldozers, 1 crane truck and 7 road rollers; dug 8 reservoirs; and built 21 sluice gates. [Text] [Phnom Penh SPK in French 0402 GMT 14 May 80 BK]

HO CHI MINH BIRTHDAY MEETING--Phnom Penh, 20 May (SPK)--Under the auspices of the KNUFNS Central Committee Department of Propaganda and Education, and under the chairmanship of the department head Bou Thang, a solemn meeting was held yesterday [19 May] at the central political school in Phnom Penh to commemorate President Ho Chi Minh's 90th birthday. Bou Thang and the school headmaster recalled President Ho Chi Minh's revolutionary lifetime, his talents, clear-sightedness, firm will-power and revolutionary qualities. They stressed his attachment to the relations of friendship and militant solidarity among Vietnam, Kampuchea and Laos, and asserted that the Kampuchean people would do their best to cultivate and tighten these relations. [Text] [BK230340 Phnom Penh SPK in French 1455 GMT 20 May 80 BK]

**AGRICULTURE MINISTRY POLITICAL COURSE**--The Women's Association of the Agriculture Ministry opened the first political course for female cadres in the ministry on 6 May in the presence of Vice Minister Mau Phauk. In his speech, Mau Phauk said: The government of the PRK headed by the KNUFNS and PRC needs scholars, intellectuals and students; it practices clemency toward repentants. He urged the trainees to study hard and serve the people along the KPRC line. [BK160812 Phnom Penh Domestic Service in Cambodian 0400 GMT 8 May 80]

**SOVIET BOOKS**--On 8 May, a ceremony was held at the Tonle Bassac Theater to hand over Soviet aid in the form of books to the Ministry of Information, Press and Culture in the presence of Soviet Ambassador Bostorin, Minister Keo Chanda and others. Comrade Bostorin said that he hopes these books will be of some use to the Kampuchean people. [BK160812 Phnom Penh Domestic Service in Cambodian 0400 GMT 9 May 80]

CSO: 4212

COLUMN DISCUSSES HISTORY OF INDOCHINESE COMMUNIST PARTY, PRESENT SIGNIFICANCE

Vientiane SIANG PASASON in Lao 29 Mar 80 p 2

(Text) A letter from Phra Bunmi Manivong, a second year student at the Bonze Teachers' School, raises two issues of interest. The first is, "Has the Indochinese Communist Party been dissolved or not?" and the second is, "Our country does not have a communist party."

Regarding the first issue we offer the following reply: The Indochinese Communist Party was established on 3 February 1930 by Chairman Ho Chi Minh. The reason for forming an Indochinese Communist Party was the situation at that time, i.e., the three countries, Laos, Vietnam, and Kampuchea, were entwined in a common, inseparable fate and were being ruled by the French colonialists who had formed them into "French Indochina."

Thus it was necessary for the people of the three countries of Indochina to unite in a common struggle in order to be able to drive the colonialists from their throats. In order to ensure victory in this struggle, it was necessary to have a party composed of the communists in the three countries to lead it. Thus the Indochinese Communists Party was formed.

Under the leadership of the Indochinese Party conditions in the three countries, Laos, Vietnam, and Kampuchea, changed rapidly and each of them called for its own party of the working class to lead its own revolutionary movement. Therefore the Congress of the Indochinese Communist Party held in mid-February 1951 decided to split into parties for each country and on 22 March 1955 the Lao People's Revolutionary Party was officially established. The portion in Vietnam formed the Labor Party (now known as the Vietnamese Communist Party) and in Kampuchea the Kampuchean Peoples' Revolutionary Party was formed.

Today, if we talk about the organizational form of the Indochinese Communist Party, that has changed. But, if we talk about its historical significance, the reputation of the Indochinese Communist Party which was the well-spring of political parties in Laos, Vietnam, and Kampuchea will never disappear. Thus every year there is a celebration of the founding date of the Indochinese Communist Party.

**AYATOLLAH KHOMEINI'S ACHIEVEMENTS CITED, PRAISED**

Vientiane VIENTIANE MAI in Lao 4 Apr 80 p 3

[Text] Under the leadership of Ayatollah Khomeyni the progressive Iranian people who adhere to the religion of Islam revolted against the monarchy of the Shah. The movement to revolt rose brightly and spread continuously like a flame. No matter how much they were suppressed they would not give up and in the end they were able to overthrow the monarchy which had armed forces equipped with modern weapons and troops who were trained by American military experts and advised by a multitude of Americans.

On 11 February the Iranian people celebrated the first anniversary of the overthrow of the old regime. The past year has been one filled with victories over various and sundry trials erected by those groups of people who oppose the rights and interests of the people and who have received strong encouragement and support from the American imperialists.

Following the Shah's overthrow the Bachtar government took over but this government did not last long until it was overthrown. After that the provisional government of Medi Bazargan came into power and now new elections have been formed in accordance with expressed desires.

Politically Iran is generally opposed to the imperialists and in the past year the revolutionary powers have led the Iranian people to numerous reforms, such as:

--Control of Iranian oil by Western capitalist country companies has been ended.

--Heavy industrial plants, ship-building plants, automobile factories, mineral ore factories, food factories, insurance companies, and various other sectors that are important economically have been taken over by the state.

--The armed forces and state organs have been cleansed of elements close to the overthrown regime.

--SAVAK, a police organization established in 1956 with the cooperation of the CIA, has been eliminated. This organization was charged with suppressing political movements and committed innumerable crimes.

--All ties with Israel, which was established on land and expanded its territory in opposition to the people in order to serve the interests of the imperialists, have been severed.

--All ties were severed with the race-separators of South Africa which Iran had been supplying with 90 percent of its crude oil needs.

--Iran withdrew from the "CENTO" treaty organization, which has an aggressive nature, and called for the dissolution of this organization.

--Iran joined the non-aligned movement.

--The Palestine Liberation Organization was recognized.

--American military advisors were chased out and American imperialist bases for spying on the Soviet Union were eliminated.

--Aid agreements worth millions of dollars with the United States and United Kingdom have been cancelled.

--The private education system was eliminated.

--Leftist elements have gained the right to participate in political and social activities. The "Iranian Peoples' Party" which is a communist party that has operated secretly for 26 years has gained the right to come out in the open.

--A peoples' resolution proclaiming a republic has been issued.

--A new constitution has been adopted and new elections were held throughout the country on 25 January.

--The settlement of minority ethnic group problems through negotiations has been promised.

The U.S. imperialists have suffered great humiliation that an aggressive base that they have built since 1953 (i.e., after they overthrew the Mossadegh government) has been destroyed ending their position as policeman for the Arabian Gulf area which possesses abundant natural resources and is a big market for weapons and manufactured goods and has been tied to them.

They used every trick to prevent progressive steps by the new Iran. They even threatened to send in military forces but the Iranian people are not afraid. They continue to close ranks and move ahead bravely to accomplish their own objectives.

MEMBERS OF VIENTIANE PROVINCE PARTY COMMITTEE LISTED

Vientiane VIENTIANE MAI in Lao 28 Mar 80 pp 1, 3

[Text] 1. Comrade Chanmi Duangbutdi, member of the party central committee, Secretary of the Vientiane Province Party Committee.

2. Comrade Khamphai Undala, Deputy Secretary of the Vientiane Province Party Committee.

3. Comrade Phao Phimphachan, Deputy Secretary of the Vientiane Province Party Committee.

4. Comrade Thongpen Suklaseng, Member of the Vientiane Province Party Committee.

5. Comrade Thongmani Phimmacan, Member of the Vientiane Province Party Committee.

6. Comrade Bualai Senchongrak, Member of the Vientiane Province Party Committee.

7. Comrade Bunma Mithong, Member of the Vientiane Province Party Committee.

8. Comrade Khamtan..., Member of the Vientiane Province Party Committee.

9. Comrade Thongdam Manivan, Member of the Vientiane Province Party Committee.

10. Comrade Khamchan Khunpaseut, Member of the Vientiane Province Party Committee.

11. Comrade Sivilay Sulivong, Member of the Vientiane Province Party Committee.

12. Comrade Mrs Kenhin Khatasavang, Member of the Vientiane Province Party Committee.

13. Comrade Khambot..., Member of the Vientiane Province Party Committee.

14. Comrade Phonsay Sonthikhamphoi, Member of the Vientiane Province Party Committee.
15. Comrade Inpeng Kongsana, Member of the Vientiane Province Party Committee.
16. Comrade Thitun, Member of the Vientiane Province Party Committee.
17. Comrade Bunseng Phengsuk, Member of the Vientiane Province Party Committee.
18. Comrade Khamyot, Member of the Vientiane Province Party Committee.
19. Comrade Thongphet Sulivong, Member of the Vientiane Province Party Committee.
20. Comrade Thongdeuan Chanthala, Member of the Vientiane Province Party Committee.
21. Comrade Khambeng, Member of the Vientiane Province Party Committee.
22. Comrade Vison, Member of the Vientiane Province Party Committee.
23. Comrade Pheuiliuang, Member of the Vientiane Province Party Committee.
24. Comrade Channong Inthavong, Member of the Vientiane Province Party Committee.

8947

CSO: 4206

SPECIAL RATIONING SYSTEM FOR CADRES, OTHERS DESCRIBED

Vientiane SIANG PASASON in Lao 29 Mar 80 pp 1, 3

[Text] On 28 March the international stores section of Vientiane Province Department of Industry and Trade opened a cooperative to sell goods in the Pheui Vat district of Vientiane City to serve only cadres, functionaries, workers, soldiers, and policemen who are assigned to offices or ministries at the central level and cadres of the various departments of Vientiane City and Province by selling them different kinds of articles to improve daily life.

The goods offered for sale by the cooperative are divided into two kinds: goods sold by ration cards and goods sold freely but a card is still required to get in the door. The goods sold by ration card are daily use items such as : white glutinous rice, detergent, milk, sugar, flour, etc. Goods sold freely but requiring a card to get in the door include cloth, mosquito coils, and all kinds of pastry. In addition there are some kinds of goods sold only for foreign currency. These include all kinds of foreign liquors, all kinds of foreign cigarettes, radios, etc.

The cooperative limits purchases by classes of cadres with cards as follows. Unmarried cadres are authorized to purchase 75 kip worth of goods per month. Married childless cadres may purchase 100 kip worth each per month. Married cadres with one or two children may purchase 130 kip worth each per month. Married cadres with three to five children may purchase 160 kip worth each per month. Married cadres with more than five children may purchase 200 kip worth each per month. Cadres of all classes having cards may enter the cooperative to purchase items only three times per month.

8947  
CSO: 4206

COLUMN CLAIMS COMMUNIST PARTY OF THAILAND EXTINCT

Vientiane SIANG PASABON in Lao 5 Apr 80 p 2

(Text) The following letter was written by Vandi who works in the San Neua Province Construction Department. Vandi asks the following:

"Following the revolt of the Chinese leaders the Thai revolution has gone dark. It is reported that the patriotic Thai people in the jungles have returned to their homes. Faced with this situation can revolution occur in Thailand?"

In the past we used to hear the Voice of the Thai People radio station, which was located in southern China, broadcasting about the activities of Thai patriotic forces regularly as well as propagandizing about the role of the Thai Communist Party, praise of Chairman Mao, opposition to the Soviet Union, etc. In fact everyone knows that this radio station belonged to China and that the [Thai] Communist Party, which had a number of members, did not follow Marxism but Maoism and could be called a satellite party of China.

Not long ago the radio station and the party were both dissolved. The Chinese power holders were their creators and their destroyers. The reason was that the Chinese power holders took stock of their interests and their primary interest was in Indochina and next was broadly all of Southeast Asia. It might be said that China has decided to make a definite choice putting one thing before another because the policies of the Chinese power holders are clear. They have betrayed the Chinese revolution into the hands of the Free World. Thus the fact that China has eliminated what was called the Thai Communist Party is not surprising. When the Thai Communist Party did exist it merely a parroted the Chinese line.

8947  
CSO: 4206

SUCCESS OF LAO PUBLICATIONS REPORTED

BK160835 Vientiane Domestic Service in Lao 0000 GMT 16 May 80

[Article: "Growth and Expansion of Lao Newspapers"]

[Summary] The Lao revolutionary press was born amidst the tumultuous revolutionary struggle of the Lao people against the French colonialists in 1945. Lao journalistic work was gradually consolidated during the period between 1945 and 1950. A weekly revolutionary magazine called LAO ITSALA was put into circulation by the Lao Itsala Front for the first time in April 1950. The chief editor of that magazine was Sisana Sisan, who was then helped by only a few assistants.

In early 1956, the Lao Itsala Front's National Congress in Houa Phan Province decided to establish the Lao Patriotic Front (LPP) to continue the revolutionary struggle. As a result, the name of the LAO ITSALA newspaper was changed into the LAO HAK SAT [LPP] newspaper. After the formation of the national provisional coalition government in October 1957, the LAO HAK SAT newspaper was moved to Vientiane to carry on its circulation, thereby more actively contributing to the defense of peace and national concord. However, the editorial staff of this newspaper was arrested in May 1959 by the Vientiane reactionary clique after the LPP leaders were intimidated and put in prison. The newspaper appeared again in 1960 from the stronghold of the revolution to become once again a sharp tool of the LPP for resisting the U.S. imperialist aggressors. The newspaper then coordinated with the KHAOSAN PATHET LAO [KPL] NEWS AGENCY, the LPP radio and the LPLA newspaper in mobilizing the people of all nationalities and strata to rise up to fight the U.S. imperialists and henchmen, thereby contributing to the national-democratic revolution.

"On 11 August 1975, relying on the overall victory of the revolution, the LAO HAK SAT newspaper returned to Vientiane capital once again under the new logo of SIANG PASASON. It was the first revolutionary daily reporting news material supplied by KPL, by coordinating its work with other mass media agencies, for example the VIENTIANE MAI newspaper, the national radio and the LPLA newspaper. It encouraged the Lao people to rise up and seize power throughout the country, thereby establishing the LPDR on

2 December 1975. To continue the tasks of the LPP journalists, the Lao Journalists Association was officially established on 3 September 1976 with Sisana Sisan, minister of propaganda, information, culture and tourism, as president."

On 1 January 1979, a biweekly magazine called NOUM LAO [LAO YOUTH] was put into circulation by the Lao People's Revolutionary Youth Union. In March 1979, a quarterly illustrated magazine called VALASAN HOUUPHAP PATHET LAO appeared on the market. The Patriotic Lao Women's Union executive committee also put the first issue of its organ--ME-GNING LAO [LAO WOMEN] in circulation on 8 March 1980. In addition, news bulletins and daily circulars have also been published and distributed by several provinces and ministries.

"All these newspapers and mass media have successfully fulfilled their roles under all circumstances. They have fought against the enemies' propaganda tools and have mobilized the people of all nationalities and strata to rise up to triumphantly seize power, and the entire party, masses and army to defend the revolutionary gains and to build the country along the path of socialism by bypassing the stage of capitalism.

"In the past, the LAO HAK SAT newspaper was circulated once a month. However, the daily circulation of SIANG PASAVON is now 10,000; the biweekly NOUM LAO 6,000; the monthly ME-GNING LAO 4,000; the daily KPL BULLETIN in Lao 370 and in French 580, in addition to a daily teletype transmission in English; the VIENTIANE MAI daily, which was founded in 1975, 2,500; and the quarterly Lao illustrated magazine 7,000.

"The ranks of our journalists have also expanded. There are now nearly 100 of them at the central level and some 60 others in the provinces. In addition, there are over 200 contributing writers to these journals from various branches of work."

Thus it can be seen that the growth and expansion of the Lao revolutionary press have been closely linked with the Lao revolution as well as the talented leadership of the LPRP in each period of the revolution. The Lao revolutionary newspapers have carried out their noble tasks by being organs of the party in disseminating party policies and victories.

CSO: 4206

## BRIEFS

FOREST PRODUCTS FOR EXPORT--Early this year the Industrial Products Sales Company of the Vientiane Department of Industry and Trade exported forest products that had been purchased from the people. In this period they exported agricultural and forest products in exchange for manufactured and other goods from abroad. Exported were 58,896 kilograms of rattan, 446 kilograms of sesame, 7,000 kilograms of Kapok seeds, 3,964 kilograms of wheat germ, 45.8 kilograms of ketlin, 2,274 kilograms of cattle and buffalo bones, 1,500 kilograms of duck feathers, 179.9 kilograms of buffalo horns, 3,000 kilograms of paper scraps, 17,048 kilograms of resin, 1,954 kilograms of medicinal root, 8.2 kilograms of turtle hearts, 347 kilograms of tamarind, 853.6 kilograms of Rapok, 829 kilograms of beuaksa, 17,743 kilograms of beuakbong, 4,000 kilograms of dried cattle-buffalo hides, and 1,641 kilograms of lopinium. This is an example of carrying out socialist trade guidelines based on economic policies of independence, sovereignty, and truly mutual benefit. [Text] [Vientiane VIENTIANE MAI in Lao 27 Mar 80 p 1] 8947

KASI CEMENT WORKS--Since 1 January 1980 20 cement workers in [Meuang] Kasi district, Vientiane province, have worked hard and achieved good results; they have been able to produce 60 tons of cement and to crush and haul 150 tons of stone. Following their production of these materials, they have sold them to the people as needed and have sold a portion to the state for use in various construction projects. At present the cement workers and officials of this locality are working hard and trying to set new production records in honor of the coming 2 December national day. [Text] [Vientiane VIENTIANE MAI in Lao 27 Mar 80 p 1] 8947

PHON HONG, KEO-OUDOM RICE SALES--During the month of March just past the multi-ethnic people of [Meuang] Phon Hong and Keo-oudom districts of Vientiane province voluntarily sold to the state at a suitable price 121 tons, of husked rice that they calculated to be in excess of their consumption needs. Of that total amount 108 tons were from Phon Hong district. Besides providing income to their families, these purchases of rice also encourage production efforts. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 5 Apr 80 p A2] 8947

PAKSAN FOREST SURVEY--During the period from 1 January to 1 April the officials and workers of the Meuang Heuang Number One Forest Enterprise Company, a state enterprise subordinate to [Meuang] Paksan district, Vientiane province, have begun to implement phase one of a forest survey in the project boundaries with rather good results. During this period they have built 22 kilometers of a standard, 9 meter wide, logging road from old town, Paksan to new town and Phu Ngu. In addition a forest survey team has completed a forest survey along Phu Ngu ridge from the Nam San to the Nam Kading. There are 22,000 hectares containing 900,000 cubic meters of industrial timber for an average of 39 cubic meters of industrial timber per hectare. Even if construction in the first phase of the project encounters obstacles or difficulties stemming from natural conditions, with great determination they are prepared to overcome them and to achieve the goals of the plan diligently and cheerfully. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 5 Apr 80 p A4] 8947

MEUANG NGOI RICE SALES--Since the first of January the multi-ethnic people of [Meuang] Ngoi district, Luang Prabang province, have voluntarily sold to the state a total of 60 tons of rice that they calculated to be in excess of their families' consumption needs. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 27 Mar 80 p A2] 8947

BOTEN DISTRICT DEVELOPMENT--After the country was liberated the farmers of [Meuang] Boten District [Sayaboury Province] awakened and followed the direction and policy of the party and state closely. They changed from small, individual production to establish 54 agricultural cooperatives. Eight of these cooperatives exceeded their production goals. In 1978-79 the farmers sold 300 tons of rice to the province. In addition to rice production which is the primary concern, the people of [Meuang] Boten District also produced 700 tons of salt each year. In animal husbandry [Meuang] Boten District was not inferior to other districts; households raised more than 200 cattle and 40 buffalo. As for small animals such as pigs, ducks, and chickens each family had several hundred. In addition 34 elephants were raised throughout the district. From increased production and animal husbandry the average person received at least 30,000 liberation kip. It is noteworthy that every family in the district has a radio. Another outstanding feature is that the people of [Meuang] Boten District abolished illiteracy completely before any other district in Sayaboury Province. [Text] [Vientiane SIANG PASASON in Lao 30 Jan 80 pp 2, 3] 8149

CSO: 4206

**PUNJAB COUNCIL HOLDS TWO-DAY SESSION**

Lahore NAWA-I-WAQT in Urdu 22 Apr 80 p 5

[Editorial: "SESSION OF PUNJAB COUNCIL"]

[Text] The two-day session of the Punjab Council ended on Sunday. Addressing the last session of the Council, its chairman and governor of Punjab, Sawar Khan, gave hints about the council's position, its sphere of activities, and the moral responsibilities of council members. While it will still keep its advisory status, its position will become more important. The opinions of council members will be given the same level of importance by government as is given to elected members in a democracy.

At present, there are no known democratic agencies in this country. Involvement of people's representatives in any level of decision-making is a laudable step. Even at this limited scale, there can be ways of establishing a relationship between government and people.

There is no doubt about the importance of local self-government. The election of municipal councils after numerous postponements is a healthy step. At first sight, it is assumed that elected municipal council members are to limit their activities to municipal matters only. But involvement in these activities leads to involvement in more activities, and results in a wider sphere of influence.

Municipal councils and their members are basic components of a democratic setup and their importance cannot be ignored. Similarly, municipal elections play an important role in any democratic country, and are considered a priority in a democratic plan.

In our beloved country, a similar status is being given these elections. The governor of Punjab said in his concluding speech: "The establishment of these agencies at a local level, and involvement of people in these, is evident in the establishment of this council. It is important for the nation's interests that municipal council members be made dynamic and productive members of local self-government. These members can solve local

problems in villages the same way as Panchayats did. Such actions can eliminate the prevalent delays in delivery of justice. If these members are not burdened with responsibilities connected with municipal committees, they can be more effectively involved with planning and development.

We cannot comment on the permanent position of the state councils, since their formation resulted from the need of the time and not from any political viewpoint. However, the establishment of "subject committees" indicates that the government is giving special attention to these state councils. Some people will not understand why the recommendations made by these committees will be forwarded to government experts. The identities of these "experts" has not been revealed.

It will not be unreasonable to say that more worthy and able persons were available than those appointed to the Punjab Council, specially when there were no requirements for appointment.

7997  
CSO: 4203

## MUNICIPAL COUNCILS GIVEN BROADER FUNCTIONS

Karachi JASARAT in Urdu 23 Apr 80 pp 1, 6

[Text] The state government of Sind has announced delegation of important powers to local municipal councils. These powers include taxing and other financial responsibilities, all of which were managed by the state until now. Chief Secretary of Sind, Mr Massaud Alzaman, made this announcement while addressing the convention of municipal councils held in Karachi. He said that a notice with details of these changes will be issued in the near future. The convention was addressed by secretaries of various departments. The secretary said that a very strong government of municipal councils has been planned. All councils from small villages to the divisional level are closely bound to each other. Explaining the new powers conferred upon the municipal councils, he said that the councils:

1. Will have the right to regulate business and trade in its jurisdiction,
2. Can sell immovable property,
3. Will have full right to levy or increase taxes,
4. Can make minor changes in the budget as needed,
5. Will audit its own accounts and not present these to the state government,
6. Will receive the accounts [back] from the auditing authority,
7. Will have the right to decrease its tenants and decide on the number of council employees.

The secretary added that in addition to these rights conferred on the elected officials by this ordinance, these officials will oversee the following position holders:

1. Chief Warden of Civil Administration,
2. Chairman, District Rural Development Committee,

3. Chairmen of councils' district sports boards,
4. Chairman, District Religious Advisory Board,
5. Chairman, Employment Exchange Advisory Board,
6. Chairman, District Social Welfare Committee,
7. Chairman, Society to Prevent Cruelty to Animals.

The secretary said that in order to take advantage of the experience and expertise of the elected persons, they will be included in various departments and committees. These committees include the departments of agriculture, food, irrigation and electricity, planning and development, Karachi Port Trust, Karachi Development, Hydrabad Development and Karachi Superbody. The elected official has been included in the market committees established to regulate and control prices of consumer goods. In addition to being members of the above mentioned committees, all council members who are high school graduates will be appointed "Justice of Peace." A large number of council members are included in the state council.

The secretary said that the government is desirous of rapid and balanced development in the state within its limited resources. In this regard, the annual development plans occupy a prominent place. The elected persons will be included in the implementation of these plans. He further said that the government has established a strong framework of municipal government in a very short time, and that it will develop cooperation between the municipal councils and the state governments. He added that government workers have been instructed to give full support and cooperation in each step of this plan, and have all been asked to do their share of work effectively.

Additional Chief Secretary of Sind R. A. Akhound said that the increase in population is impeding the state's development plans. The government is spending 820 million rupees on present development plans. Twenty-five percent of this money is being spent on irrigation and agriculture. Another 25 percent is reserved for transportation. Twenty-four percent of the budget will be used for planning and housing. He said that 500 new primary schools are being established each year. This way a total of 4.28 billion rupees will be spent in the next 5 years.

State Secretary of Municipal Councils Suleiman Farooqi declared that he was very proud to announce that the year 79-80 will be considered historic in the department of housing. Not only were many new schemes initiated, but also the Sind Building Control Ordinance was established to regulate and standardize construction in cities. This ordinance also requires construction companies to supply homes at a fixed rate. In future, the prices can be increased only when a buyer is satisfied with the reasons given for the increase. He said that the government was aware of the problems that

the municipal organizations are facing. Some councils either do not have any offices or their offices are being used by other departments. Some are under-staffed, while some town councils did not get any financial aid. But these are small hurdles which should not be a hindrance to the attainment of the great purpose. We are attempting to find solutions to these problems during this convention, he said. Mr Farooqi added that the main purpose of this convention "is to put our heads together and think up ways and means to eliminate our problems and facilitate achievement of our goals."

Addressing the issues of irrigation and electricity, additional Chief Secretary of Agriculture Abdul Wihab Sheikh emphasized the culmination of water-logging and described the projects such as Sakhar Barrage, Kotri, Gaddu Barrage and irrigation schemes of the state.

Discussing problems related to agriculture, Mr S. M. Wasim, Secretary of Agriculture, gave a detailed account of agricultural programs, their implementation, elements of productivity, canal water, seeds, chemical fertilizers, pesticides, agricultural loans, agricultural engineering, agricultural technology and agricultural policy.

Secretary of Education Ali Deno Pinhor said that Pakistan is a Moslem country. It is based on Islamic principles, and only these principles will foster Pakistan's prosperity and constant growth, he said. The government has decided to bring about revolution in education and make fundamental changes, so that the masses may be educated according to the Islamic scriptures. He cited some statistics showing that during the 79-80 academic year, there were 1,191,000 students in 12,009 primary schools; 71,271 students in 835 middle schools; 380,000 students in 777 high schools; 2,357 students in 18 teacher training colleges; and 6,962 students in 105 colleges. He added that the government was spending most of its revenue on education. During the 79-80 academic year, a total of 727,500,000 rupees were spent on education. Of these, 99,800,000 rupees were used for capital outlay and 627,600,000 rupees for ongoing expenses.

7997  
CSO: 4203

## PAKISTAN

### OIL PRICES RAISED TO MEET DEFICIT

Karachi DAWN in English 26 May 80 pp 1, 8

[Text] Islamabad, May 25--The Government today announced an increase in oil prices, but partially maintained the subsidy for kerosene oil and high-speed diesel oil. The new prices come into effect immediately.

Mr. Masihuddin, Acting Secretary, Ministry of Petroleum and Natural Resources, said at a Press conference here this afternoon, the prices have been raised following two hikes in the crude oil prices by the OPEC countries.

He said the increase in prices decided upon by Pakistan Government today would provide an estimated revenue of Rs. 180 crore, which would almost meet the deficit created by the two OPEC increases of Jan. 1, and May 1, this year.

Mr. Masihuddin told newsmen that the price of kerosene oil, which has been raised from Rs. 2.00 to Rs. 2.50 per litre, will still have a subsidy of 80 paisa per litre as its landed cost is Rs. 3.30 per litre. The new price will mean that an average family will be spending Rs. 9 per month more on kerosene, he added.

The high-speed diesel oil will now sell at Rs. 2.80 per litre, instead of Rs. 2.50, still with a 32 paisa subsidy per litre.

The increase announced today are 4.07 per cent for regular motor gasoline, five per cent for H.O.B.C. (high octane blending compound), 25 per cent for light diesel oil, 12 per cent for high-speed diesel oil, 4.5 per cent for jet fuel for foreign flights, 17.4 per cent for jet fuel for domestic flights, and 14 per cent for lubricating base oils.

He said that petroleum prices in Pakistan were last revised on Dec. 24, 1979 to reflect the OPEC increase in the price of crude oil by six dollars per barrel with retrospective effect from Nov. 1, 1979. Subsequently, the price of crude oil has increased by two dollars per barrel with effect from

Jan. 1, 1980. Again with effect from April 1, Saudi Arabia increased its crude oil price by two dollars followed by Abu Dhabi, Iraq and Kuwait, which have also increased their prices by two dollars per barrel with effect from May 1".

#### New prices

Islamabad, May 25: The following are prices per litre of oil products fixed today:

Product	Previous price	New price
Motor Gasoline	Rs. 4.25	Rs. 4.45
High octane blending compound (HOBC)	Rs. 6.00	Rs. 6.30
Kerosene oil	Rs. 2.00	Rs. 2.50
Light diesel oil (LDO)	Rs. 2.00	Rs. 2.50
High-speed diesel oil (HSD)	Rs. 2.50	Rs. 2.80
Jet fuel for foreign flights	Rs. 3.54	Rs. 3.70
Jet fuel for domestic flights	Rs. 3.15	Rs. 3.70
Lubricating base oils	Rs. 4.38	Rs. 5.00
--PPI/APP		

He said, "It had, therefore, become necessary to adjust the oil prices to meet the increased cost of import and the commitment to the International Monetary Fund that the increase in the prices of crude oil and deficit products will be passed on to the consumer.

"The impact of the increase in the price of crude by four dollars per barrel, together with additional expenditure on the import of deficit products, had been estimated at Rs. 180 crore for 1980-81. It has, therefore, been decided by the Government to adjust the price of petroleum products".

Mr. Masihuddin announced the following new prices:

--Regular motor gasoline goes up 20 paise, from Rs. 4.25 per litre to Rs. 4.45 per litre.

--High octane blending compound (HOBC), up 30 paise from Rs. 6.00 to Rs. 6.30 per litre.

--Kerosene oil, up 50 paise from Rs. 2.00 to Rs. 2.50 per litre.

--Light diesel oil (LDO), up 50 paise from Rs. 2.00 to Rs. 2.50 per litre.

--High speed diesel oil (HSD), up 30 paise, from Rs. 2.50 to Rs. 2.80 per litre.

--Jet fuel for foreign flights, up 16 paise from Rs. 3.54 to Rs. 3.70 per litre.

--Jet fuel for domestic flights, up 55 paise from Rs. 3.15 to Rs. 3.70 per litre.

--Lubricating base oils, up 62 paise from Rs. 4.38 to Rs. 5.00 per litre.

Mr. Masihuddin said that now the price of kerosene oil which has no element of tax will be subsidised to the extent of 81 paise per litre. HSD price will continue to carry a subsidy of 32 paise per litre in order to cushion its impact on the transport and agricultural sectors. LDO which is used by the agricultural sector for operating tubewells will also carry a subsidy of 24 paise per litre.

He said, "The increase in the price of regular grade gasoline used by taxis and rickshaws will be less than five per cent in order to be absorbed in the existing taxi fares".

The selling price of furnace oil has not been increased to minimise effect on railway fares and production cost of industries which use furnace oil as fuel, he added.

Mr. Masihuddin said the new increases have been made on the assumption that more crude oil will be available from the domestic resources, thereby reducing the oil imports. In case the estimates for increased domestic oil production are not realised, it will adversely affect the consumer price pattern announced today.

He estimated that the crude oil production within Pakistan will go up from the current rate of 10,800 barrels to 20,000 barrels a day by the end of fiscal 1980-81.--APP/PPI.

CSO: 4220

#### EXPECTATIONS FOR INCREASED LOCAL OIL PRODUCTION

Karachi DAWN in English 26 May 80 pp 1, 8

[Text] Islamabad, May 25--The production of oil in the country will be increased from the present level of 10,800 barrels a day to 20,000 barrels a day by June 1981, Acting Secretary, Ministry of Petroleum and Natural Resources, told newsmen today.

He said during the first half of the next financial year the production would increase by 50 per cent, while in the second half it would go up by another 50 per cent.

The country, he said, was presently importing 80,000 barrels of crude oil a day, while the import of deficit products ranged from 30,000 barrels a day.

Besides digging new wells in many areas, he said, the Government also planned to extend the gas distribution network to various places in the country. Twelve new towns and cities would be provided with gas facilities. The World Bank was evincing interest to finance this project, the towns to benefit from this project included Jhelum, Mirpur, Mandi Bahauddin, Kharian, Abbottabad and Mansehra, he added.

He said the present annual production of 35,000 tons of liquefied petroleum gas would be increased to 120,000 tons in two years.

He said the equipment had also been ordered for introducing compressed natural gas on pilot basis.

Giving details of the new wells, he said three new wells would be dug in Badin area while Shell planned to drill a new well in Sargodha plateau.

Oil and Gas Development Corporation, he said, had chalked out a plan for digging exploratory wells in the Pothowar area.

The drilling at Qazian, he said, would be completed next month and the Gulf Oil would begin work on a new well in Chakwal area.

He said two wells in Tut oilfields--Nos 7 and 10--were being tested at present and their production, he added, would begin by the end of next month.

Some complications had arisen in Dhermond well due to the appearance of water pores. Chemicals for plugging the water pores and opening the oil pores, he said, would be dropped soon into the well.--APP.

GSO: 4220

## PANEL APPRAISES BUDGETARY PROCESS, ECONOMY

Lahore THE PAKISTAN TIMES in English 7 May 80 p 8

(Text)

**ISLAMABAD.** May 6: There is need for proper formulation of the next national budget taking into consideration all economic factors to provide relief to the public and to promote agriculture and industrial sectors.

This was the consensus of opinion at a panel discussion on "the pre-budget appraisal of the national economy" sponsored by the Pakistan National Centre at its auditorium last evening.

Mr. H. U. Beg, Secretary, Finance and Planning, who presided on this occasion, said that the budgetary process had just started and the opinion of all the sources including business community, bankers, financial institutions and the public to firm up the idea about national resources and expenditure. The apprehension of leakage of the budget at this stage was out of question and any tendency to hoard commodities was most deploring.

He said that the economic situation is much better today what it was three years back and as

a result of the efforts made by the Government, the overall Gross Domestic Product (GDP) has risen by six to six and half per cent.

Mr. Beg attributed the improvement in economic situation to the achievements of targets in cotton, rice and wheat, the increase in exports, the rise in home remittances by Pakistani workers abroad, increase in industrial production, besides several measures to rectify the imbalance in trade, control imports, check inflation, minimise deficit financing, reduce subsidies, restrain monetary growth and discourage tax evasion.

He dispelled the impression that the climate was not conducive for investment, and said that an emerging middle class was switching from commerce to industry by investing in medium-sized projects. The cost of the big projects like one of cement had increased from six crore to 60 crore which scares away the Pakistani investors, therefore, the Government or foreign investors would fill up that gap.

In the next budget, the Government wants to increase the national resources to provide better living to the people. If this goal has to be achieved, we will have to make sacrifices and pay taxes, he added.

Mr. Sulaiman Khan, Joint Chief Economist, Planning Division said that the overall economic situation is better and the pessimism was not justified. This is the first time that the exports had increased over imports and the agricultural and industrial production had risen. The situation would further improve if we work hard, he added.

Shaukat Ishaq Ali, President, Pakistan Chamber of Commerce and Industry emphasized the need for reviewing the existing taxation system. He said that there were 60 types of taxes, which hamper the smooth growth of trade and industry. The tax procedures should be simplified and proper facilities be provided in return to justify the levy of taxes, he added.—APP

CSO: 4220

#### ADB ADVANCE LOANS FOR QUICK RETURN PROJECTS

Quetta BALUCHISTAN TIMES in English 13 May 80 p 1

[Text] Islamabad, 12 May--The Asian Development Bank is likely to put more of its money into loans to members for projects which can make quick impact so that the borrowing countries are able to overcome their balance of payments difficulties.

The decision was taken at the just concluded annual meeting of the bank. Officials said here today that, the new policy on lending marks a shift from ADB policies that concentrated almost all of its US\$6.7 billion in past lending on brick and mortar "project loans" that usually take many years to yield a return.

Such a shift was opposed until recently by some of the rich countries that provide funds to the Development Bank but at the ADB's annual meeting here last week their representatives spoke favourably of "sector loans" and "programme loans" that can pump money faster into ailing economies.

The kind of loan traditionally extended by the ADB is drawn down piece by piece as work proceeds on a highway, hospital or other project. It is a slow process and of the bank's embarrassment is that 63 percent of its loans have yet to be disbursed.

At the urging of borrowers the ADB made its first "programme loan" in 1978 and three more last year. Instead of building say, a factory, these loans can be used for machinery and even spare parts for an existing plant.

Money from a programme loan can be spent in a hurry, on the quick purchase of imported equipment. Critics say this comes awfully close to straight balance of payments loans. But ADB has been so cautious about programme loans that they made up only US\$31 million of the US\$1.25 billion that it loaned last year.

Sector loans are a new idea for the ADB. They lump programmes and projects into a single package. Where the bank used to limit itself to loans for building a specific highway, an ADB director says, it might instead lend

money to a national highway ministry for an overall programme of construction, improvement and maintenance.

Sector loans were described by the bank's governor from Bangladesh as wholesaling fo aid instead of retailing of aid on a project-by-project basis.

The ADB's local cost financing is even harder to distinguish from balance of payments support. It pays such local currency expenditures as workers wages on a project where foreign exchange costs are funded by the ADB. In other words last year the bank raised its ceiling on local cost financing to 15 percent from 10 percent of the loan from its soft loan window "the Asian Development Fund." It retained a ceiling of 5 percent on the interest bearing loans that make up two-thirds of its lending. (APP)

CSO: 4220

COUNTRY FACES ACUTE SHORTAGE OF GRAM SEED

Islamabad THE MUSLIM in English 22 May 80 p 7

[Text]

PESHAWAR, May 21: There is acute shortage of gram seeds in the country and no arrangements could have been made so far to procure the seeds needed for NWFP.

Disclosing this, Col. (Retd) Aurangzeb, Managing Director of Agricultural Development Authority of NWFP told *The Muslim* here today that his efforts to get the seeds from concerned bodies within the country including the Seed Corporation and Balochistan Government, proved futile. It is stated that due to the epidemics of a particular crop disease, gram seeds could not be lifted from the crops this year.

Col. (Retd) Aurangzeb said, his authority had organized import of 3000 tonnes needed for NWFP. He said gram seeds could be imported from Egypt or India.

The ADA chief said, besides gram, all other seeds were procured to the optimum level. Besides wheat, maize, paddy and groundnut seeds, 200 tonnes of cotton seeds were procured and distributed in D.I. Khan for the first time this year.

CSO: 4220

## GHEE OUTPUT TO BE RAISED

Lahore THE PAKISTAN TIMES in English 14 May 80 p 8

[Text]

The production of veg table ghee in the country is being increased by 35,000 metric tonnes, through balancing and modernization of its various units.

The present production capacity is 217,000 tonnes. The arrangements to raise the production capacity of the ghee industry were pressed into service early this year.

Meanwhile, the financial performance of the industry is believed to have improved a great deal despite frequent increases in the prices of inputs. The profit of the Ghee Corporation rose from Rs 99.341 million in 1976-77 to Rs 86.786 million in 1978-79. The units' capacity was utilised to the maximum.

The Corporation adopted the economical method to augment production. The installed capacity was balanced and expanded

Under the present plans the capacity of the Kakakhel Unit is expected to be increased by 8,000 metric tonnes. Suraj Unit

by 5,000 metric tons, Kohinoor, 8,000 metric tonnes, and Universal, 5,000 metric tonnes.

The Corporation has also taken in hand other projects. It has undertaken the production of cooking oil named Pakwan. This oil was developed by the Corporation in collaboration with the PCSIR. There has been a striking increase in the production of Pakwan since 1977. Its production in 1978-79 stood at 593 thousand metric tonnes.

In view of the importance of the industry, the Corporation has embarked upon an ambitious research programme. It has set up a Central Laboratory at Lahore. These measures are aimed at improving the quality, taste and acceptability of ghee through new processes and methods of production. The Corporation is also financing an oil seed cultivation project in collaboration with the Extension Wing of the Agriculture Department.

CSO: 4220

## FREIGHT CRISIS HITS FRUIT EXPORTS

Lahore THE PAKISTAN TIMES in English 11 May 80 p 5

[Text]

Export of citrus fruits has suffered a serious setback in recent months for lack of proper transport facilities.

The management of Grading and Waxing Units which have been set up in the country at a huge cost had worked hard in capturing foreign markets for the export of fresh 'kinno' duly graded and polished.

The 'kinno' crop during 1979-80 was not only excellent in quality but also plenty — about 40 per cent more than the previous year. It was expected that the export of 'kinno' would fetch foreign exchange to the tune of Rs. 100 crore.

Iran is the main and the most lucrative market for 'kinno' export because of a convenient rail and road transportation link. A fruit processing unit at Sargodha was issued a permit in March for exporting 10 tons of 'kinno' to Iran only via the land route while applications were submitted in November last year. By that time the season was over.

Exporters visited foreign countries and explored the Middle East, Gulf and Far East areas, like Singapore, for marketing 'kinno'. They secured substantial orders which lapsed for non-availability of refrigerated space aboard ships for transportation and very costly air freight. The Pakistan National Shipping Corporation had been constantly offering refrigerated space for Gulf States before the start of the 'kinno' season but when the fruit was available and the NSC was approached for its shipment in reefer space, it declined to accept cargo for lack of a refrigeration system in its ships and this state of affairs continued throughout the season.

Air freight is too costly to compete in the international fruit market. Non-availability of reefer ships has caused heavy losses to the fruit grading and processing units, some of which did not even operate for a single day. Many orders, LCs from Gulf countries like Kuwait, Saudi Arabia, Qatar,

Abu Dhabi and Dubai could not be executed in time and lapsed for lack of means of transportation despite best efforts of exporters.

It is proposed that fresh fruits may also be included on the Government's compensatory rebate list of items. Throughout the 1979-80 season, only one reefer ship was available for Damam, Saudi Arabia. The fruit was badly damaged by mishandling at the ports, incurring heavy losses to the exporters. If the present Air freight to the Gulf States can be halved from Rs. 6.20 to Rs. 3.10, the exporters shall be willing to guarantee many chartered flights daily carrying 50-100 tons each during the citrus seasons. The chartered flights could operate from idle air strips near Sargodha. This could save another seven to eight days rough transportation by road to Karachi and mishandling at Karachi Port etc.

The 'Anjuman Kaabilqaran' Punjab, has taken up the matter with the Government and has urged provision of adequate facilities and a reduction in the air and ocean freight charges.

### PLANS TO INCREASE MEAT PRODUCTION

Islamabad THE MUSLIM in English 23 May 80 p 3

[Text]

ISLAMABAD, May 22: The government has no plan so far to import meat or livestock in view of the current scarcity.

Disclosing this, an official source told The Muslim here today that measures to solve this problem, an effective long-term strategy will have to be adopted to lessen the day-to-day difficulties being faced by the people.

He said all the provincial governments will be asked to adopt effective measures to ensure regular supply of meat and streamline distribution.

The source said that the scat-

city was not different than that of 1973. He said that efforts were made to eliminate the institution of "middle man" from the meat trade but that proved ineffective in the long run.

When asked to elaborate the long-term strategy, he said, that production of livestock will have to be increased on a permanent basis. He said this plan, too, was under consideration and shortly certain decisions will be taken. He expressed the hope that livestock farms will be set up in various places. The government desires to encourage private sector in this scheme, he said.

CSO: 4220

PAKISTAN

TARBELA DAM SERVICE SPILLWAY FULLY REPAIRED

Quetta BALUCHISTAN TIMES in English 14 May 80 p 1

[Text] Lahore, 14 May--The gigantic service spillway of the Tarbela Dam has been fully repaired and would be put to test during the coming monsoon.

The remedial work on the spillway was started in the winter of 1979 after its plunge pool had started a sideways erosion and had threatened some of the vital organs of the dam itself.

A party of journalists visited the dam site on Sunday last were shown round the last touches being given to the huge work for the confinement of the pool of the service spillway. The work so far completed included about 1.5 million cubic yards of concrete placement about four lakh and 50,000 cubic yards of excavation, about one lakh cubic yards of concrete placement, about 4 lakh and 50,000 cubic yard rollcrete placement and placing of about 550 anchors for rock stability. [as published]

The project director of the Remedial Repairs, Mr Sham-ul-Mulk told the news-men that completion of such a massive work in a period of 9 months was a real challenging assignment. He said work had proceeded very satisfactorily and was about 15 days ahead of schedule.

He said the remedial work on the auxiliary spillway would be initiated in the coming winter. Currently the extent of such remedial work was being worked out.

He said there were only 8 dams in the world which had spillway capacity greater than 6 lakh and 50,000 cusecs. Tarbela dam was the only one which had two spillways of that size, the capacity of service spillway being 6.50,000 cuses and that of auxiliary spillway 8 lakh and 40,000 cusecs.

CSO: 4220

## WATER AUTHORITY PROPOSALS FOR DEVELOPMENT

Lahore THE PAKISTAN TIMES in English 10 May 80 p 8

[Text]

The Water and Power Development Authority (WAPDA) has proposed creation of big water reservoirs at Manchor, Chutiari and Thal, besides the construction of the big multipurpose dam at Kalabagh to meet the water requirements of the country during the next 10 years.

According to informed sources in Lahore the WAPDA has calculated that Pakistan would need another 1.1 crore acre-feet of additional water to meet the growing needs of agriculture during the next decade. Pakistan has a total annual resource of over 14 crore acre-feet of water through river flows, of which 10 crore acre-feet was being diverted into canals and irrigation system for agricultural use, while the remaining 4 crore acre-feet of precious water was going waste into the sea.

The Authority has proposed a total investment of Rs. 7,000 crore for the development of water resources, including the construction of four new reservoirs and to combat the menace of salinity and waterlogging during the next 10 years.

Meanwhile, experiments conducted at the Mona Irrigation Research Station had shown that 40 per cent of water diverted into ponds from canals never really reached the crops. The authority had proposed launching of a massive effort to dredge the ponds and also to construct obstructions so that large-scale water wastage could be avoided.

The WAPDA has also proposed that in areas where there was sweet underground water, farmers should be encouraged to have their own tubewells and the Government should launch its own tube-well schemes only in those areas where the water was brackish.—APP.

CSO: 4220

PAKISTAN

ROMANIA TO AID CEMENT FACTORY IN NORTHERN AREAS

Lahore THE PAKISTAN TIMES in English 10 May 80 p 8

[Text]

MAY 9: The setting up of a cement factory in collaboration with Romania is reported to have been sanctioned for the Northern Areas.

The Rs. 60 crore project is to be financed by the bankers equity and a private party with 75 per cent contribution of the former and 25 per cent of the latter.

The former owner of Ismail Cement Factory, Nasser A. Sheikh is said to have been approached to set up the new project.

Sheikh is reported to have proposed that he would participate in the project provided he was appointed as its Chief Executive, on salary, plus commission basis for a period of ten years.

He also suggested that his name should be included in the articles of association which are reported to have already been prepared by the bankers equity.

According to informed sources, it was officially proposed that the appointment of the Chief Executive should be for a period of three years and not ten years, but later a compromise is said to have been reached and the term has been fixed at eight years.

As regards the inclusion of the name of the private party in the articles of association, no decision has been taken so far.

However, a meeting is scheduled for 10th of this month to decide the matter. Another cement factory is reported to have been sanctioned by the ECC with identical clauses.

In the second project Ghulam Parique has been approached to participate on the same basis, it is learnt. The modalities of both these projects are expected to be decided in the forthcoming meeting on May 10.

CSO: 4220

## CONVENTIONAL BRICKS MAY BE REPLACED

Lahore THE PAKISTAN TIMES in English 12 May 80 p 7

[Text]

The Punjab Planning and Development Board has succeeded in replacing the conventional bricks with the new ones manufactured under its supervision and guidance after a long research of 18 years.

The new invention is economical, cheap, covers less courses to reach a given height, dries fastly, requires less labour while adjusting. With it, mortar use would be reduced by 30 per cent.

The new bricks cover one hundred square feet with 915 bricks as against 1125 old ones. The masonry work and labour will be shortened with the substitute.

The Government has as yet allowed three kiln owners its manufacture. For one Lakh conventional bricks twenty two tons of coal was required but for the new only twenty tons will suffice.

The Punjab Government has decided to use the new bricks in all the future buildings including the New Secretariat. The size of the conventional bricks in inches was 7-5/8x3 5/8x2-5/8 but its substitute is 9x4—3/8x3—5/8 inches.

The new bricks fortify the foundation of the building with less quantity as its hallmark.—APP

CSO: 4220

PAKISTAN

BRIEFS

UNESCO BODIES RECONSTITUTED--Three National Commissions for UNESCO dealing with science geological co-relation and science and technology information system have been reconstituted by the Government. The Pakistan National Commission for UNESCO Committee on Engineering Education for Coordination with UNESCO (Science) is headed by Dr A H Qureshi, Vice-Chancellor of the University of Engineering and Technology, Lahore; the Commission on International Geological Corelation Programme is headed by Mr Asrarullah, Director-General, Geological Survey of Pakistan, Quetta and the Commission on UN Science and Technology Information System is headed by Dr Z A Hashmi, Chairman, National Science Foundation. The first Commission is comprising of 12 members two observers; the second 10 members and two observers; and the third eight members and two observers. [Text] [Karachi DAWN in English 23 May 80 p 22]

PAMPHLET FORFEITED--The Government of NWFP has forfeited all copies of the pamphlet captioned "Jiddu-Jehad," according to an official announcement. This pamphlet contains material which tends directly or indirectly to bring into hatred or contempt the Government established by law in Pakistan and also to excite disaffection towards the Government. [Text] [Karachi DAWN in English 22 May 80 p 4]

MILK PRICES SHOOT UP--Milk has become a soar subject with housewives. The milkmen have enhanced their rates to Rs. 3.50 to Rs. 4 per kilo. The other alternative open to them i.e. powdered milk has been in short supply in the market for the past month. Prices of some brands of dried milk have been increased by distributors. A tin of Nido that was available for Rs. 17.50 two months back is now costing the consumer a rupe more. A packet of Ostermilk that came for Rs. 12, now bears a price tag of Rs. 14. The cost of condensed milk has been enhanced by a rupee also. The increased rates have not ensured regular supply of these commodities. There is a short supply of other brands as well, such as Safety Milk, Dano Frisiana and Meiji. The distributors of these brands of dried milk have assured shopkeepers of regular supply in the near future. Some shopkeepers felt that the wholesale dealers are not releasing their goods on a regular basis in view of an anticipated price hike by milkmen on rates of milk. [Text] [Lahore THE PAKISTAN TIMES in English 12 May 80 p 3]

RICE EXPORT FIGURES--Karachi, May 9--About Nine hundred seventy nine thousand Metric Tons of rice valued at over three hundred seven million Dollars were exported by Pakistan during the first ten months of the current financial year. According to official sources here this represent a rise of over twenty eight percent in quantity and over fortyseven per cent in value as compared to the rice exports during the corresponding period of last year. [Text] [Quetta BALUCHISTAN TIMES in English 10 May 80 p 4]

EXPENDITURES ON AFGHAN REFUGEES--Islamabad, 24 April--Pakistan will have to spend an additional 440 million rupees on the increasing number of Afghan refugees. According to an A.P.P. release, more refugees are expected here, because the Afghanis who leave the areas devastated by Russia make it straight to Pakistan. There are already 700,000 registered refugees. The government of Pakistan is giving 50 rupees per [word illegible] to each refugee. This adds up to 35 million rupees every month. Administrative expenses are not included in these figures. The refugee welfare work was started in May 1978. The rehabilitation officers told us that the refugees are being helped from the federal budget and the donations received by the President's Relief Fund. President Zia has appealed to and received donations from other countries. These donations, however, started to come in only last October. Among the four neighbors of Afghanistan, Pakistan shares the longest border with it. This border starts in Gilgit in the north and reaches Chagai in the south. Whenever there are problems in Afghanistan, Afghanis head for Pakistan, because of their racial, historical and religious ties. They started to come in 1954, in 1960, and in 1973 in opposition to Sardar Daud's coming to power in Afghanistan. [Text] [Karachi JASARAT in Urdu 24 Apr 80 pp 3, 10] 7997

PRESIDENTIAL FUND--Islamabad 7 April--It was officially announced today that the total amount received by the Presidential Relief Fund for the Afghan refugees has reached 7,238,373 rupees and 19 paise on 3 April. [Text] [Quetta JANG in Urdu 8 Apr 80 p 8] 7997

TRADE WITH IRAN--Pakistan is to export 3 million chickens to Iran worth 15 million rupees. The dispatch of the 1-day-old chickens will start from July and will be completed within 4 months. A trade delegation, which recently visited Iran, has also secured an order to supply 5 million rupees worth of eggs to Iran. [BK281555 Karachi Domestic Service in Urdu 0200 GMT 24 May 80 BK]

**COTTON EXPORT TARGETS EXCEEDED**--Karachi, 10 May--Pakistan is expected to earn over US\$300 million through the export of raw cotton during the current financial year. This has been stated by the chairman of the Cotton Export Corporation at a meeting here with a three-member team of the International Monetary Fund. He said the revised cotton export target of over US\$249 million had already been exceeded. The corporation had already made export sales of 1 and 1/2 million bales of which a substantial quantity had already been shipped. At the meeting the cotton situation in Pakistan during 1979-80 was reviewed in detail. [Text] [Quetta BALUCHISTAN TIMES in English 12 May 80 p 4]

**LARGEST CEMENT PLANT UNDER CONSTRUCTION**--Karachi, 14 May--An export oriented modern cement costing about thousand million rupees (as published) is being set up at Hub in Lasbela District by the Galadari group of companies, a private enterprise of United Arab Emirates. The project which would be a largest cement plant of the country having 2,000 tons per day capacity is expected to be operational in 2 years. The project has been designed to cater the requirements of Iran, Iraq, Yemen and some other Middle East countries. However, 40 per cent would be available for the domestic market to improve the supply of cement. [Text] [Quetta BALUCHISTAN TIMES in English 15 May 80 p 1]

**COTTON CULTIVATION**--Bahawalnagar, 19 May--About 2.80 lakh acres of land will be brought under cotton crop in the district during this kharif season which is 10,00 (as published) acres more than that last year, it was officially learned here. Last year the yield was 1.55 lakh bales while the target fixed for this season is 2 lakh bales. One lakh 4,000 acres of land will be brought under sugarcane cultivation with the target of 13 lakh 42 thousand 800 tons of production while rice will be cultivated over 70 thousand acres of land and maize will be sown over 12,000 acres of land in the district. Meanwhile Mian Farid Lalakr, a progressive farmer and member Zila Council Bahawalnagar, had called for arranging adequate water supply for the district for cotton crop sowing. [Text] [Peshawar KHYBER MAIL in English 20 May 80 p 4]

CSO: 4220

PHILIPPINES

OPIE TO MEET LABOR BOSSSES ON TUCP ROW

Manila PHILIPPINES DAILY EXPRESS in English 18 May 80 p 1

(Text) Labor Minister Blas F. Ople will meet next week with leaders of five major labor associations in an effort to stop the widening split in the trade union movement.

Ople said he would meet with officials of the Trade Union Congress of the Philippines, Federation of Free Workers, Trade Union of the Philippines and Allied Services (TUPAS), National Association of Free Labor Unions and the newly-formed Philippine Trade Union Center.

The minister made the announcement following the recent withdrawal of five labor federations from the TUCP.

Speaking at a meeting with TUCP officials, he said he would initiate moves to heal what he called the developing schism in the labor movement.

Ople said the key to the unification of the trade union movement remains the restructuring of organized labor along the one-union-one-industry concept under the Labor Code.

"Evidently, there is now wide agreement that restructuring can be pushed through where delegates to restructuring conventions are genuinely chosen by rank-and-file workers in truly democratic processes," he said.

The TUCP last week lost five of its member federations which chose to form a new group called the Philippine Trade Union Center.

The federations are the Philippine Association of Free Labor Unions, Filipino Civilian Employees Associations in U.S. Bases in the Philippines, National Association of Trade Unions, Philippine Technical, Clerical and Employees Association of the Philippines and the North Harbor Labor Federation, Inc.

A new group had announced it would not become an affiliate of any international labor organization and would remain non-aligned ideologically.

Ople earlier disclosed in a speech that the labor movement is divided into four groups. These are the TUCP which receives Western support, TUPAS enjoying assistance from the Moscow-leaning World Federation of Trade Unions, FFW which is assisted by the World Confederation of Labor, and the emerging pro-Beijing NAFLU.

During the meeting, TUCP officials passed a resolution reiterating its confidence in the "leadership, sincerity and integrity" of Ople as head of the newly-structured Ministry of Labor and Employment.

The resolution was initiated by Assemblyman Eulogio Lelu, a TUCP vice president, and TUCP president Democrito T. Mendoza. It was supported by the Federation of Free Farmers which was represented by Leonardo Montemayor and Cristino Bascug.

CBO: 4220

ACCOUNTING OF MNLF FUNDS EYED

Manila PHILIPPINES DAILY EXPRESS in English 16 May 80 p 1

[Article by Ros Manlangit]

[Text] Zamboanga City, 15 May--Defense Minister Juan Ponce Enrile prodded today Muslim secessionist leaders in the South to seek an accounting of millions of dollars in aid they were supposed to have received from the Middle East, including a reported \$1-million windfall from Iran.

Enrile said that local leaders of the Moro National Liberation Front have a right to be informed of these funds and be justly benefited as, he said, they were payments for their services to the secessionist cause.

The minister said local MNLF leaders were on the shorter end of the bargain as their counterparts based abroad have been living extravagant lives using funds for the MNLF.

Enrile said there have been foreign reports that Iran has openly admitted giving aid to the MNLF. The same foreign sources, he said, estimated the amount to be around \$1 million.

Whether this money reached MNLF members in the South or not, their leaders should know, Enrile added.

As to the other amounts from other Middle East sources, Enrile did not disclose how much they were.

The minister flew to Zamboanga today to attend the fourth anniversary celebration of the Southern Command headed by Rear Admiral Romulo Espaldon.

Enrile was met at the airport by Mayor Ceser Climaco and civilian officials of the region.

In a speech before a Southcom gathering at the command's headquarters, Enrile said the foreign-based MNLF leaders "have dubious motivations and lacked compassion not only for their own men but also for the people in the South."

On the peace and order situation in the South, Enrile said that the rebel strength has been on the decline, although as a "desperate strategy," he said, they have been conducting brutal and terrorist campaigns against civilians.

## PHILIPPINES

### PRICES TO BE CONTROLLED ON MORE ITEMS

Manila PHILIPPINES DAILY EXPRESS in English 8 May 80 pp 1, 6

[Text] The price freeze on the nine basic commodities is still in effect. Malacanang sources said that it is the opinion of the Cabinet Standing Committee that although the three-month period for the price freeze ended yesterday, the price control on the items in the list is automatically extended.

With the revival of the Price Stabilization Council, the items under the price freeze order fell automatically under the jurisdiction of the PSC, specifically its enforcement, they said.

The same sources said that unless the PSC orders the delisting of these items, the price control will continue.

The PSC was revived by the President shortly after he ordered the freezing of prices of the nine consumer items to oversee price movements.

Covered by the price freeze are rice, corn, milk, canned fish, poultry, eggs, pork, sugar and cooking oil.

To enable producers to cope with the rising cost of production, the Cabinet Standing Committee has favorably endorsed to the President for the increase in the prices of rice, refined sugar and canned milk.

At the same time, the committee, headed by Finance Minister Cesar Vinata, has also recommended the inclusion in the control list of three other vital items, namely, school supplies, certain medicines and beef to protect low-income families.

The PSC was revived last February 16 or nine days after the President had ordered the price freeze on the nine commodities under Presidential Decree No 1674.

Among other things, the PSC will serve as the mechanism to regular prices of certain commodities, check manipulation and speculation, prevent hoarding and other activities inimical to trading.

Unlike in the past, the President is the only one authorized to convene the PSC to consider or recommend such measures as may be necessary to protect the consumers and assure supply of prime commodities.

Whenever it has been determined that the situation has stabilized, the council may recommend termination of any or all the measures adopted.

Under this provision, therefore, the price freeze on the nine items is deemed to have been extended until the PSC recommends otherwise.

Among other things, the council may recommend to the President the importation of such items as may be necessary to stabilize prices and the granting of subsidies to certain sectors to hasten production of certain items and assure stable prices for consumers.

CSO: 4220

## PHILIPPINES

### NUTRITION DRIVE GETS UNU HELP

Manila PHILIPPINES DAILY EXPRESS in English 17 May 80 p 6

[Text] The campaign against malnutrition was strengthened yesterday with the renewal of an agreement between the Nutrition Center of the Philippines and the Tokyo-based United Nations University.

The agreement was signed by the First Lady, Imelda Romualdez Marcos, as NCP founding chairman, and Dr. James Hester, UNU rector.

Among other things, it seeks to extend the research, training and planning facilities of the NCP to the world, until December 1981.

The first agreement was signed on July 8, 1976, two years after the NCP was founded. Since then, several nutrition experts from Asia, Africa, Central and Latin America, have availed of the food and nutrition programs of the Philippines.

The Philippines is the only UNU affiliate member. Being an open university, it makes use of the NCP as one of its campuses. The NCP trains fellows in designing and implementing national nutrition programs.

"We have the most progressive and successful programs against malnutrition not only in Southeast Asia but also in other Third World countries," said Dr. Rodolfo Florentino, NCP deputy executive director.

NCP reports said the nutrition campaign has reduced the proportion of the severely malnourished by 11 percent in five years.

A recent nationwide food consumption survey also showed that the calorie intake per capita has increased to 89 percent sufficiency while protein intake is 102 percent sufficiency.

NCP reports point out that there are now more than 157 malnutrition wells and 229 nutri-huts constructed in various parts of the country.

A malnutrition ward or nutri-ward is a special ward in a hospital for the severely malnourished patients who may number less than the ward's capacity at a given time.

A nutri-hut is a rural version of the malnutrition ward in remote areas with no hospitals.

Several barangay nutrition mobile teams deliver health and nutrition services to Metro Manila's poor areas.

Health foods are given or sold cheaply throughout the country in the form of nutri-paks.

An innovation is putting a betamax in the nutri-buses which roam the province showing educational television programs.

Following is the substantive text of the agreement:

The United Nations University (hereinafter referred to as "the University"), represented in this agreement by Dr. James H. Hester, rector, and

The Nutrition Center of the Philippines, Inc. (hereinafter referred to as "the Center"), represented in this agreement by Mrs. Imelda Romualdez-Marcos, chairman-president,

Having reviewed the co-operation between the University and the Center and the experience gained in the course of the implementation of the agreement on association originally signed on July 8, 1976.

Noting with satisfaction the amount of progress reached in conceiving and developing research and training activities in the area of nutrition planning and implementation within the health and education sectors, as provided in that agreement.

Have agreed to extend the agreement on association on terms and conditions as specified in the agreement on renewal which entered into force on September 1, 1978, for a period of 16 months, i.e., until December 31, 1981.

CSO: 4220

## PHILIPPINES

### FARMERS SEEK HIGHER PALAY PRICE, MORE AID

Manila PHILIPPINES DAILY EXPRESS in English 18 May 80 p 1

[Text] About 10,000 farmers met yesterday at the Folk Arts Theater and passed a manifesto urging a raise in the price of palay, greater farmer representation in government and the distribution of public lands to mountain tribes and legitimate settlers.

To be presented to President Marcos on May 22, last day of Farmers' Week, the manifesto also bats for the transformation of the Bureau of Cooperatives into a commission, the creation of a Commission on Settlement of Land Problem and the enforcement of a Crop Insurance Law.

The document was jointly adopted by the Agrarian Reform Beneficiaries Association, FAITH, Federation of Farmers Associations of the Philippines, Federation of Land Reform Farms, Federation of Free Farmers, Katipunan ng mga Magasaka sa Filipinas, Inc., and Pambansang Katipunan ng mga Samahang Nayon.

Sponsored by the Bureau of Cooperatives, the Farmers Congress was the main feature of Cooperatives Day, third day of Farmers' Week which opened last Wednesday, feast day of San Isidro de Labrador, patron saint of farmers.

In their manifesto, the farmers pledged their support to President Marcos and the government "whose main program is agrarian reform, emancipation of the farmer and economic prosperity, to demonstrate to the world that our country is rich, peaceful, free, democratic and just."

Deploring that middlemen benefit most from the distribution of grains, the manifesto demanded an increase in the prices of rice and corn to enable farmers to keep up with the rising cost of production.

The Congress also asked for presidential help in bringing the various farmers' group under a single organization and in giving more assistance and funds to the Samahang Nayon.

Today, fourth day of Farmers' Week, is Philippine Trade Exhibits Day. Various farm products, representing the various sectors of agriculture, will be on display at the Philtrade grounds.

Cigaretts will be sold at factory prices in tomorrow's observance of Tobacco Day, sponsored by the Philippine Virginia Tobacco Administration in cooperation with cigarette manufacturers.

May 1 is Rice and Corn Confed Day and will feature a convention among members of the Rice and Corn Confederation.

CSO: 4220

PHILIPPINES

MYSTERIOUS OBJECT PUZZLES ELECTRONICS EXPERTS

OW240645 Hong Kong AFP in English 0457 GMT 24 May 80

[Text] Manila, May 24 (AFP)--Philippine military electronics experts are still groping for an explanation of the mysterious saucer-like steel object found last week by residents of a shoreline town in northeastern Philippines. Press reports said a military investigation team is still trying to find clues on how to explain the presence of the unidentified object found along the shore of Palanan, Isabela, some 320 kilometers (200 miles) northeast of Manila.

The English-language daily TIMES JOURNAL even carried two pictures of the object, which was described to be cylindrical, 1.5 meters tall and with a five-meter diameter at the base and a four-meter diameter at the upper end.

Reports said military investigators found transformers, resistors, capacitors, batteries, electronic cables, battery casings and other communication gadgets and experts even found some parts bearing a Japanese firm's trademark. A spokesman of the Japanese Embassy here said he did not know of any Japanese satellite flying over the country nor had he received any word about any Japanese satellite falling to earth.

CSO: 4220

**PHILIPPINES**

**CENTRAL BANK TIGHTENS RULES ON BANK CAPITALIZATION**

Manila PHILIPPINES DAILY EXPRESS in English 14 May 80 p 11

[Article by George T. Nervez]

[Text] More stringent guidelines were laid down by the Central Bank yesterday regarding the minimum capital requirements of private domestic commercial banks including those authorized to operate a foreign currency deposit unit (FCDU).

The new guidelines are intended to strengthen the capital structure of commercial banks, the CB said.

CB ruled that henceforth, unsecured loans to directors, officers, stockholders and their related interests (DOSRI), and unbooked valuation reserves recommended by the CB shall not be included in the computation of the unimpaired paid-in capital and the unimpaired capital account.

The CB said that the unimpaired paid-in capital (including paid-in surplus) of a private domestic commercial bank shall not be less than P100 million. This amount shall exclude the bank's loans to DOSRI.

It also gave private domestic commercial banks up to September 30, 1980 to collateralize their unsecured DOSRI loans or increase their paid-in capital to the minimum requirement.

In the past, a CB official explained, unsecured loans to DOSRI were included in the computation of the P100-million minimum paid-in capital requirement.

In addition, the CB said that the unimpaired paid-in capital account shall include only the combined capital accounts or the actual paid-in capital (including paid-in surplus), whichever is lower.

Excluded from the computation of the unimpaired paid-in capital account are unbooked valuation reserves recommended by the CB.

The CB also ruled that the combined capital accounts (net worth) of a private commercial bank with an authorized foreign currency deposit unit (FCDU), excluding unbooked valuation reserves and unsecured DOSRI loans, shall not be less than R150 million.

Any private commercial bank which fails to comply with the minimum capital requirements shall be subject to the following penalties;

--The privilege of branching shall be suspended for banks concerned.

--No new unsecured loans to DOSRI shall be granted by the bank concerned until it attains the minimum capital requirement.

--No cash dividends shall be declared by the bank concerned until it meets the minimum capital requirement.

--The privilege of dollar-peso swap with the CB shall be suspended for private commercial banks which fail to maintain the minimum capital required for FCDU's or those authorized to accept foreign currency deposits under CB Circular No 343.

CSO: 4220

## PHILIPPINES

### FIRST-QUARTER EQUITY INFLOW UP 68 PERCENT

Manila PHILIPPINES DAILY EXPRESS in English 13 May 80 p 10

[Article by George T. Nervez]

[Text] Local enterprises generated a total of \$68.52 million in direct foreign investments during the first quarter this year, the Central Bank said yesterday.

The amount was \$27.76 million or 68 percent more than the \$40.76 million in direct foreign investments generated from January to March 1980, CB data showed.

On the other hand, the CB said, \$23.15 million was remitted for direct investment abroad. In addition, some \$12.81 million worth of foreign investment was withdrawn from the country and remitted abroad.

Direct investments in local enterprises, the CB said, helped boost the inflow of long-term capital during the quarter amount to \$905 million.

CB data showed that during the quarter net inflow of both long-term and short-term capital amounted to \$558.58 million, a hefty increase from the \$7.01 million recorded for the same period in 1979.

The bulk of the capital plowed into the country was in the form of short-term capital transactions which had a net inflow of \$484.37 million, the CB said.

Long-term capital transactions resulted in a net inflow of \$72.47 million, consisting of an inflow of \$240.24 million and an outflow of \$167.77 million.

The CB said that the inflow of short-term and long-term non-monetary capital was mainly responsible for the reduction in the country's balance of payments (BOP) deficit to \$15 million in the first quarter of the year.

The bulk of capital inflow was in the form of short-term capital availed of mainly to finance oil imports, it was pointed out.

The data showed that during the period, short-term loans of the private sector amounted to \$248.96 million, while those of the government amounted to \$380.99 million.

In the case of long-term capital transactions, loans of the private sector amounted to \$88.58 million, while those of the government amounted to \$83.14 million, the CB said.

C90: 4220

## PHILIPPINES

### NON-TRADITIONAL EXPORTS EARN US\$264 MILLION

Manila PHILIPPINES DAILY EXPRESS in English 13 May 80 p 10

(Text) Non-traditional manufactured items are continuously making inroads in markets abroad with total export earnings amounting to \$263.83 million during the first quarter this year.

Data made public yesterday by the Central Bank showed that non-traditional manufactured items now constitute the second biggest dollar earners, next to mineral products which brought in \$331.03 million from January to March 1980.

The CB listed nine non-traditional manufactures, led by garments and electrical and electronic equipment and parts, which earned \$69.94 million and \$32.03 million, respectively, during the quarter.

As a group, the non-traditional manufactures accounted for 23 percent of total export earnings amounted \$1.14 billion during the period.

The gains made by the non-traditional manufactures are considered significant because they indicate the diversification in the country's exports from those that are primary and in semi-processed form to those that are manufactured.

Aside from contributing to dollar earnings, manufactured items involve labor-intensive processes, and enjoy more flexibility in the export markets compared to primary products.

The CB data showed that non-traditional manufactures enjoyed a 45.9 percent growth during the first quarter this year, compared to earnings in the same period in 1979. Export earnings from January to March 1979 amounted to only \$180.82 million.

Aside from garments and electronics products, the other manufactured items exported are wood products, travel goods and handbags, non-metallic mineral, chemicals, machinery and transport equipment, textile yarns/fabrics, furniture and fixtures.

Mainly because of high metals prices in the world markets, copper concentrates earned \$211.19 million during the quarter, an increase of \$136.47 million or 182.6 percent over the \$74.72 million reported in the same period in 1979.

Gold prices which also remained at a high level boosted dollar earnings from \$23.28 million in January-March 1979 to \$53.33 million during the first quarter this year.

Coconut products, erstwhile top dollar earner generated only \$175.59 million, down \$23.81 million or 11.9 percent from the \$199.40 million in January to March 1979.

The drop in export earnings from coconut products were due to significant declines in revenues from copra and coconut oil, which brought in \$18.26 million and \$113.77 million, respectively. These compared with \$36.51 million earned by copra exports, and \$134.33 million in 1979.

Increases in export earnings from sugar, forest products non-traditional unmanufactured items and marine products also contributed to the overall increase in dollar revenues during the quarter under review.--George T. Nerves

CSO: 4220

PHILIPPINES

HANDICRAFT EXPORTS FACE BLEAK PROSPECTS IN EIGHTIES

Manila PHILIPPINES DAILY EXPRESS in English 4 May 80 p 12

[Text] Local handicraft manufacturers face a bleak future because of cut-throat competition at home and improving competitiveness from neighboring Asian countries.

This assessment was made by Mrs. Rose Teodoro, president of the Philippine Chamber of Handicraft Industries and Leo Diapo Jr., president of the Chamber of Cottage Industries of the Philippines.

Because of these unfavorable prospects, the handicraft manufacturers must mechanize certain aspects of their operations if their products are to effectively ward off the stiff competition from those of other Asian countries, they pointed out.

The two outlined the industry's prospects in a paper presented last Friday during the first in a series of dialogues being conducted by the Ministry of Trade with export-oriented groups.

They added that the industry's problems were compounded by the fact that saleable items lost GSP (General Systems of Preference) treatment in major markets.

"All these notwithstanding, handicraft exports are projected to increase by \$57.9 million during the next five years at a 10.4 percent annual growth rate," they said.

"Imitation jewelry will have the highest growth rate, with a projected export value of \$14.2 million by 1983. Basketware/wickerworks and bags and baskets will, likewise, attain again substantial increases in exports with an aggregate export value amounting to \$48.9 million in 1983, they claim.

They pointed out that handicraft exports have increased at a rate of 31.1 percent from 1973 to 1978, higher than the 16.8 percent average growth rate of the country's total exports."

Mrs. Teodoro and Diapo noted that in spite of the economic crisis in 1974 and 1975, handicraft exports registered a higher share of the total Philippine exports in 1976 than during the previous years.

However, its share to the total exports declined from 3.73 percent in 1976 to 2.67 percent in 1977. From an estimated total revenues of \$90.8 million in 1978, the value of exports is projected to reach \$110.3 million in 1989. No figures were given for the industry's performance last year.

Trade Minister Luis Villafuerte discussed with handicraft manufacturers suggestions for the establishment of a handicraft technobank center, new marketing strategies, a number of financing schemes and government support in production.

The next sectoral dialogue will be held tomorrow at the Philippine Plaza's Romblon Room with leaders of the electronics, electrical and allied products sector.

The toys and recreational goods sector and the plastic products sector will meet with the trade minister on Wednesday, while he will discuss problems and solutions on Saturday with ~~machineries~~ and fabricated metal products sector.

CSO: 4220

PHILIPPINES

EXPANSION, MODERNIZATION OF FOUR PORTS NOTED

Manile PHILIPPINES DAILY EXPRESS in English 8 May 80 p 11

[Article by German Lim]

(Text) Four international ports in the Visayas and Mindanao will be expanded and modernized at a cost of \$110 million to allow them to cope with increasing volume of trade.

Public Works Minister Alfredo Juinio said the World Bank has agreed to provide part of the project's required financing.

The ports to be reconstructed and modernized are those of Cebu City, Iloilo City, Cagayan de Oro City phase II, and Zamboanga City. These are the four largest ports in their regions.

Actually Juinio said the World Bank has granted the Philippines \$67 million but the counterpart fund to be shouldered by the government will reach \$43 million. He said negotiation for the funds went on smoothly in Washington, D. C.

Juinio, who is vice-chairman of the negotiating panel, was accompanied to the U.S. by Finance Deputy Minister Alfredo Pio de Roda, Deputy Director-General of NEDA Antonio Locsin, and General Manager of the Philippine Ports Authority Eustaquio Baclig. Ambassador to the U.S. Eduardo Z. Romualdez is chairman of the negotiating panel.

Under the program, the port of Cebu will be expanded to occupy most of the reclaimed area to the west. This will be provided with facilities for containerized shipping, marginal berthing space and cargo sheds and other infrastructures.

The Iloilo City port, on the other hand, the largest port in Western Visayas, will be expanded with the reclamation of several hectares of adjacent lots to accommodate more warehouses.

The goods that come from other ports are directly unloaded in Iloilo City port because it is the nearest point for goods destined for other areas like the Negros provinces and provinces of Aklan, Antique, Capiz and the sub-province of Guimaras in Panay.

The Cagayan de Oro City port, considered as one of the biggest ports in Northern Mindanao, being the loading center of goods produced by more than 100 multinational corporations, will be further extended.

The first phase of the project has already been completed. The new loan will finance, Juinio said, phase II of the port expansion plan.

According to the public works minister, the Zamboanga City port will be expanded westward. Marginal wharves and piers will be constructed to accommodate larger volume of cargo being unloaded in Zamboanga.

Signing of the contract will take place sometime late this year and an international public bidding for final construction of the projects will take place early next year, Juinio said.

CSO: 4220

PHILIPPINES

FUNDS FOR BUYING COPRA FROM PLANTERS

Manila PHILIPPINES DAILY EXPRESS in English 18 May 80 p 1

[Text] President Marcos ordered yesterday the United Coconut Planters Bank to set aside P100 million for the United Coconut Mills to finance the purchase of copra from buying centers of the Philippine Coconut Producers Federation.

The move will enable millers to deal directly with farmers to help the ailing coconut industry. It is also designed to eliminate unscrupulous middlemen, who have been buying copra from farmers at rates very much below the quoted mill gate prices.

Coconut farmers in some depressed areas have been selling their produce to middlemen at P35 per 100-kilo sack although the mill gate price of copra is P120 per 100-kilo sack.

The problems facing the coconut industry were brought out during the Kilusang Bagong Lipunan caucus last Tuesday.

Assemblymen from the coconut-growing regions are disturbed by the sudden drop of the prices of coconut oil from 40 cents a pound to 27 cents a pound in the world market.

The decline of oil prices has been attributed to a world-wide over-supply of fats and oils, notably soybean oil, the high cost of money and the loss of the Russian market for oil.

The President also asked the UCPB to earmark an additional 130 million in soft education loans to assist the school children of coconut farmers in depressed areas during the coming school year.

CSO: 4220

## PHILIPPINES

### BRIEFS

**PUBLIC WORKS FUNDS--**A total of P397.19 million has been allocated by the Bureau of Ports, Harbors and Reclamations of the Ministry of Public Works (MPW) for the development of 13 ports in eight regions of the country this year. Director Andelario Patino of the Bureau of Ports, Harbor and Reclamations said the port projects and their estimated costs are: (1) Sual fishing port in Pangasinan with a total cost of P25.84 million for Region I. (2) Port of Calapan, Mindoro Oriental, P1.4 million and the Lucena fishing port in Quezon province, P101.93 million for Region IV. (3) Camaligan fishing port in Camarines Sur, P51.1 million for Region V. (4) Port of San Jose de Buenavista, P5 million Port of Kulasi, P4.5 million in the province of Antique; Port of Dumaguete, P7.5 million and the Iloilo City port, P77.08 million for Region VI. (6) Port of San Jose, Carangyan, Northern Samar, P22.5 million for Region VIII. (7) Port of Davao, P5.5 million for Region XI. (8) Port of Cotabato, P16 million for Region XII. Other port work development projects for the year includes the construction and rehabilitation of 41 shore protection works costing P6 million; repair and improvement of 12 lighthouses at a cost of P950,000 out of an earmarked amount of P2 million. Also slated for construction this year are 90 municipal fishing ports with an initial release of P20 million. (PNA) [Manila PHILIPPINES DAILY EXPRESS in English 4 May 80 p 10]

**ZAMBO PORT PROJECTS RUSHED--**Three major port projects which will convert Zamboanga City not only into one of the busiest ports in Mindanao, but also as the center of trade and commerce in the region, will be undertaken this year, Public Works Acting Minister Aber P. Canlas disclosed yesterday. One project is the construction of the Zamboanga fishing port next month or in July. The complex will consist of berthing area, market facilities, ice plant and cold storage, a net drying area, repair and dry docking facilities, among other things. It will be constructed on an 11.3-hectare reclaimed area in Sangali, a few kilometers west of Zamboanga City. The two other projects involve the expansion of the Zamboanga City port and the building of refrigerated dump barges. The Zamboanga port project involves the construction of three 100-meter interisland marginal berths, 200-meter forest products shed and transit sheds, rehabilitation and fendering and a passenger terminal, dredging of new and existing berths, and the provision of auxiliary facilities. The refrigerated dump barge project will involve the

placing on strategic fishing grounds in Tawi-tawi and Sulu of five dump stationary barges of 10-ton capacity equipped with blast freezers, to receive fish caught in the high seas. The fish will be stored in the barges and then towed by a service barge to Zamboanga fish port, where it will be placed in cold storage. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 4 May 80 p 1]

INCREASE IN OIL SUPPLY--The government has raised the country's inventories of crude oil from the usual 70 days to 100 days to guard against sudden price increases imposed by Middle East suppliers. Finance Minister Cesar Virata said that the increase in the inventory level is 7.2 million barrels. The daily consumption is about 240,000 barrels of oil daily. Virata said higher levels of oil inventory had been maintained even before the recent \$2-per-barrel price increase imposed by Saudi Arabia. This means the Philippines is saving at least \$2 per barrel on the equivalent of 7.2 million barrels worth of future oil imports, Virata said. Saudi Arabia recently raised the cost of its oil by \$2 per barrel retroactive to April 1, 1980. The Philippines is still spending much on demurrage (detaining of a vessel) costs because the state-owned oil company as well as the private refineries do not have enough facilities to store the oil. [Manila PHILIPPINES DAILY EXPRESS in English 19 May 80 p 1]

OMNIBUS ENERGY BILL--An omnibus energy bill, which provides strict measures on energy consumption, is up for approval today in the Batasang Pambansa. The bills prohibits the:--Importation, manufacture and assembling of passenger vehicles with engine displacement of over 3,000 cc or kerbweight exceeding 3,299 lbs., including accessories.--Use of neon lights for advertising earlier than 6 p.m. and beyond 9 a.m., and the unnecessary and excessive lighting of hotels, motels, shopping centers, buildings, and structures.--Use of government vehicles for non-official business. [Excerpts] [Manila PHILIPPINES DAILY EXPRESS in English 16 May 80 p 1]

INFLATION RATE DROP FORECAST--Singapore--The Philippines will see inflation ease to 15 percent from 18.8 percent, as the government continues its relatively restrictive credit policies, Chemical Bank says in the latest issue of its WEEKLY ECONOMIC PACKAGE. It also says the effects of world oil price increases and the lifting of price controls will dissipate, aiding the downturn in inflation. The nations of Asia, both developed and developing, will continue to face inflationary pressures in 1980, according to the bank. It sees the developing economies of the region experiencing a more rapid rate of inflation, in general, than the developed ones. All but three developing countries--Singapore, Malaysia and India--are expected to suffer from double-digit inflation. However, inflation rates are projected to decline in India, Indonesia and the Philippines from the 1979 levels. [Text] [Manila PHILIPPINES DAILY EXPRESS in English 15 May 80 p 9]

CSO: 4220

THAILAND

U.S., IRANIAN OFFICIALS BRIEF HOUSE COMMITTEE

BK140020 Bangkok NATION REVIEW in English 14 May 80 p 3

[Text] An official of the Iranian Embassy in Bangkok yesterday told the House Standing Committee on Foreign Affairs the conflicts between Iran and the United States could be easily solved if the Americans were responsive.

He said Iran was prepared to reconcile with the United States if it returned the shah and his wealth abroad and refrained from interfering in Iranian internal affairs, according to chairman of the committee Lt Gen Chan Angsachot.

The statement was made during a briefing session before the committee at the House yesterday in which representatives from the Iranian and U.S. embassies were invited to brief the committee members on the situation between the two countries.

The Iranian Embassy was represented by Counsellor Cyrus Zoka and First Secretary Sharaf Shani, and the U.S. Embassy was represented by Counsellor James M. Wilkenson and Wongpan na Lamphun, as assistant political advisor.

Wilkenson, according to Chan, reiterated that the United States still wanted to solve the impasse through peace.

"But if the problem could not be solved, then the United States has the right to resort to other means," he was quoted as telling the committee.

He also reportedly said the conflicts between the two countries were having effects on all other countries throughout the world.

He also told the committee of the Americans' decision to take tough retaliatory actions against Iran through a trade embargo and economic sanctions and freezing of the Iranian assets.

Chan told reporters that the committee also planned to invite representatives from the Soviet and Pakistani embassies for a briefing on the situation in Afghanistan.

THAILAND

GOVERNMENT ANNOUNCES NEW TAX STRUCTURE

BK221103 Bangkok Domestic Service in Thai 1300 GMT 21 May 80

[Announcement dated 21 May 1980 issued by the Prime Minister's Office--  
read by announcer]

[Text] Considering the difficulties now confronting the general public, particularly the low and medium wage earners, and in compliance with the government's policy of narrowing the income gap and the differences in the living conditions of the people and striving to increase the people's incomes, the government has amended the revenue code to reduce the income taxes of those people earning low wages. For example, a couple with three children earning less than 4,170 baht a month will be exempt from personal income tax, while persons with higher earnings will enjoy proportionate deductions.

In so doing, the government will lose 1.4 billion baht in annual revenue. To compensate for this amount, the government will collect higher taxes from high wage earners and business firms.

In addition, the government has also amended four laws so as to increase excise taxes on tobacco, drinks and liquors and thus earn more income for economic and social development and national defense. The major changes in tax collection can be made known to the general public as follows:

1. Income tax on low and middle-income wage earners will be reduced by increasing the deduction for spouses from 7,000 to 10,000 baht, and for each child from 3,000 to 5,000 baht. Thus total deductions will increase by about 50 percent.
2. Income tax from persons earning less than 22,500 a month [as heard] will be reduced to relieve the tax burden on low and middle-income wage earners. At the same time, persons earning more than 1 million baht a year will be paying 65 percent income tax.
3. Corporate taxes on companies registered with the Securities Exchange of Thailand [SET] will be increased from the present 30 to 35 percent.

General companies and partnerships will be subject to 45 instead of 35 percent corporate tax. At the same time, the government will allow between 25 to 35 percent tax credit on dividends, which will lighten the burden of minor shareholders who earn low and middle incomes in order to boost investment in the SET and help the business of the SET-registered companies. The changes in the tax collection system will increase tax on profits made by companies, while earners of dividends and profit sharing will enjoy a lower tax rate. This will also plug the present tax loopholes.

4. Excise tax on tobacco will increase from 40 to 45 percent of retail price, particularly on those brands which use more than 20 percent imported tobacco mixture. As a result, the prices of various brands such as Samit, Krung Thong, Krong Tip and Saifon will increase by 1 baht per package.

5. Excise tax on beer will increase from 10 to 14 baht per liter or 40 percent of retail price.

6. Excise tax on non-alcoholic drinks will increase from 27 to 45 satang per bottle based on retail price. Drinks made from fruits and vegetables grown in the country will be exempt from taxation.

The changes in the tax collection system will be in effect as of 22 May 1980. Compensation for the 1.4 billion baht loss in the government's annual revenues will be made by imposing higher taxes on companies and business firms. It is expected that the government will also earn an additional 2.865 billion baht a year from the increased excise taxes on tobacco, drinks and beer. The government will inject more efficiency in the tax collection system to prevent tax evasion.

The government will also lift the tax imposed on sale of farm products by farmers. The tax will be collected from merchants, so as to augment the farmers' income. Further details on this matter will be explained to the mass media at Government House at 0900 on 22 May 1980.

CSO: 4207

THAILAND

GOVERNMENT CLAMPS CONTROL ON ESSENTIAL COMMODITIES

BK240332 Bangkok BANGKOK POST in English 24 May 80 p 1

[Excerpt] The Central Committee for Commodity Price Control and Anti-profiteering yesterday clamped control on the production, import, export and sales of 12 essential commodities in a bid to prevent hoarding of the merchandise.

The measures which went into force yesterday came two days after the government announced a sweeping change in taxation to ease tax burden on the low and middle income earners and slapped tax increases on beer, tobacco and soft drinks.

The 12 commodities subject to control are liquified petroleum gas (cooking gas), kerosene, white sugar, matches, proof papers, printing and writing papers, cement, steel bar, animal feed essence and animal feed with the exception of pet food, detergent, condensed and evaporated milk and vegetable oil.

Manufacturers, importers and sales agents throughout the country are required to notify authorities within July 1 all the particulars about the controlled items in their stock, including quantities, places where they are kept and sales.

The authorities to be notified are officials of the Internal Trade Department as in the case of manufacturers, importers and sales agents in Bangkok metropolis, Nonthaburi, Samut Prakan and Pathum Thani. In other provinces, the notification will be made with commerce officials of each respective province.

The manufacturers, importers and sales agents are also required to prepare daily records, monthly and annual plans of production, import and sales for examination by authorities.

Any change in the particulars about the controlled items in stock and change in places where they are kept must be notified to authorities within seven days.

## CURB RICE EXPORTS TO MEET LOCAL NEEDS

Rangoon THE WORKING PEOPLE'S DAILY in English 30 Apr 80 p 6

[Text]

BANGKOK, 28 Apr - Thailand must slow down its soaring rice exports this year to meet local consumption needs, a Government official has warned.

Preecha Tanprassert, President of the Rice Division of the Board of Trade, said over the weekend that Thailand had exported about three-quarter of this year's target in the first four months.

Of the total 2.2 million tons targeted for overseas sale this year, about 1.6 million had already been supplied or committed for delivery, he said.

Thailand's first-quarter exports totalled 1.07 million tons, an increase of 88.9 per cent in volume and 113.1 per cent in value compared with the year before.

The sharp increase have been attributed to booming overseas demand and to support measures adopted by the Government to prop up prices during the harvest season.

Thailand is expecting a huge 60-per-cent drop in paddy rice production in this year's second crop, compared with a year earlier, because of the worst drought in 10 years.

The Agricultural Ministry has estimated that only 800,000 tons will be produced, down sharply from the 1.9-million-ton yield in last year's second crop.—NAB/AB

THAILAND

SOVIET CEMENT SALES OFFER

Seoul THE KOREA HERALD in English 10 May 80 p 3

[Text] The Soviet Union Thursday offered to sell Thailand 100,000 tons of cement in the first direct offer to Thai government authorities, a high-ranking Commerce Ministry official revealed Thursday.

The offer was made at a meeting earlier Thursday between Soviet commercial counselor Boris Levin and Thai Commerce Minister Tanchai Khanphato.

Director general of the Thai Internal Trade Department Chare Chutharatkul, who attended the meeting, affirmed that it was the first time that the Soviet Union had made a direct offer to Thai government authorities on the sale of cement.

The director general declined to reveal the price offered by the Soviet Union but said similar approaches had been made through local private companies in the past.

Thailand, which produces an estimated 5,100,000 tons of cement per year, just over one million tons short of demand, has not so far tapped the Soviet Union to make up for the shortage.

Informed sources noted that major suppliers included Japan, south Korea and Taiwan.

CSO: 4220

## BRIEFS

SUBSTITUTE ENERGY SOURCES--Bangkok, 19 May (AFP)--Thailand is considering developing 14 energy sources as substitutes for oil under a 10-year plan which hopes to save over 50,000 million baht (\$2,500 million) in annual oil bills. A spokesman for the National Energy Authority (NEA) said it was hoped that the plan, which would cost the government a total of 131,233 million baht (\$6,561 million), would get off the ground later this year. Energy sources to be developed under the plan include natural gas, lignite, hydraulic power, oil shale, solar energy, alcohol, coal, biogas, and geothermal power, the spokesman noted. On the basis of oil costing \$30 per barrel in 10 years' time, NEA authorities estimate that Thailand could save up to 59,000 million baht (\$2,950 million) in oil bills per year as a result of the substitute energy sources. Natural gas from the Gulf of Thailand, which is expected to be commercially available next year, would alone save 13,000 million baht (\$650 million) per year, the spokesman added. Thailand last year imported 30,831 million baht (\$1,541 million) worth of oil products, the spokesman said. [Text] [BK191009 Hong Kong AFP in English 1004 GMT 19 May 80]

RURAL AREA JOBS SCHEME--The Bicameral Parliament yesterday overwhelmingly passed a royal decree authorizing the government to pay a 3,500 million-baht budget in advance for a scheme of creating jobs in rural areas. The decree was approved after four and a half hours of debate with a vote of 338 against four. The four dissenters were Bunkoet Phimvoramethakun (New Force-Khon Kaen), Nao Phruthithamkun (Independent-Buriram), Chaowalit Wisetsitthikun (Independent-Ang Thong) and Prasong Wongsunthon (Social Agrarian-Nakhon Sawan). Deputy Prime Minister Soem Na Nakhon told the Parliament that the government was in urgent need of the budget to help rural people by creating jobs for them. He said expenditure for the project which would be advanced from the national reserve fund would be spent on construction works and development of water resources for both consumption and agriculture. [Excerpt] [BK180514 Bangkok NATION REVIEW in English 17 May 80 p 3]

**AGRICULTURAL EXPORT TARGETS**--The government has set the target for exports of agricultural products in 1980 at 65.5 billion baht and agriculture-related industrial products at 9.5 billion baht. [Bangkok Domestic Service in Thai 0530 GMT 17 May 80 BK]

**FIRST QUARTER ECONOMY**--According to Prathip Sonthisuwan, director of the office of the national bank governor, Thailand suffered a 4,970 million baht trade deficit during the first 3 months of 1980, while the balance of payments was 8,013 million baht in its favor during the same period. [Bangkok Domestic Service in Thai 0000 GMT 18 May 80 BK]

**OVERALL EXPORT TARGETS**--According to the deputy spokesman of the prime minister's office, the overall target of Thai exports for 1980 has been set at 136 billion baht. Rice exports will account for about 15.4 billion baht. [BK171053 Bangkok Domestic Service in Thai 0000 GMT 9 May 80 BK]

**CORN SALES TO USSR**--Thailand agreed to sell 100,000 tons of Thai corn to the Soviet Union after the Soviets requested a total of 200,000 tons, traders indicated Tuesday. The Thai Government approval apparently came in the wake of reports that Hong Kong, a traditional Thai grain market, would reduce its purchases and turn to the United States for corn, the traders said. No further details were available. [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 1 May 80 p 6]

CSO: 4220

END

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